



**SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING
Thursday, September 5, 2013
6:00 p.m. Regular Session**

**Location: Community Meeting Room
177 First Street West, Sonoma, CA 95476**

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. CALL TO ORDER	Boerum	
2. PUBLIC COMMENT SECTION <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. At all times please use the microphone.</i>	Boerum	
3. CONSENT CALENDAR A. Board Minutes 8.1.13 B. FC Minutes 7.30.13, 8.27.13 C. GC Minutes 7.22.13 D. QC Minutes 7.24.13, 8.28.13 E. QC Policy & Procedure 8.28.13 F. MEC Credentialing 8.28.13	Boerum	Action
4. REPORT OF CEO PERFORMANCE EVALUATION AND COMPENSATION REVIEW	Boerum	Inform
5. APPOINTMENT TO THE AUDIT COMMITTEE OF DENNIS CIOCCA	Boerum	Action
6. PROPOSAL FOR MANAGEMENT INCENTIVE COMPENSATION	Mather/Reid	Action
7. INTRODUCING THE NEW SONOMA VALLEY HOSPITAL	Mather	Inform
8. JULY 2013 FINANCIAL REPORT	Fogg/Reid	Inform
9. JULY 2013 ADMINISTATIVE REPORT	Mather	Inform

AGENDA ITEM	RECOMMENDATION	
<p>10. OFFICER AND COMMITTEE REPORTS</p> <p><u>A. Chair Report (Boerum/Inform)</u></p> <p>i. Northern California Health Care Authority (Inform)</p> <p><u>B. Construction Committee Report (Coss)</u></p> <p>i. SVH Phase I Expansion (Inform)</p> <p><u>C. Governance Committee Report (Carruth/Hohorst)</u></p> <p>i. JOC Legislation (Action)</p> <p>ii. Discussion of District Policy Community Funding (Action)</p> <p>iii. Policy and Procedures Governing Purchases (Action)</p> <p>iv. Opposition to SB718: Letter to Mike Gatto (Action)</p> <p>v. Policy for Board Action (Inform)</p>		
<p>11. ADJOURN</p>	Boerum	



3.

CONSENT CALENDAR



**SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Thursday, August 1, 2013
Community Meeting Room**

Board Members Present	Board Members Absent	Administrative Staff/Other Present
Bill Boerum Peter Hohorst Sharon Nevins Jane Hirsch Kevin Carruth		Kelly Mather Robert Cohen Leslie Lovejoy Rick Reid Kevin Coss Dick Fogg Dawn Kuwahara Paula Davis Gigi Betta

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community. The vision of the SVHCD is that: SVH will be a nationally recognized, compassionate place of healing and known for excellence in clinical quality. We serve as the guide and indispensable link for our community's health care journey.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	6:00 p.m.		
2. PUBLIC COMMENT SECTION			
<i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. At all times please use the microphone.</i>	No public comment.		
3. CONSENT CALENDAR:		Action	
A. Board Minutes 6.4.13; 6.6.13 B. FC Minutes 5.28.13; 6.25.13 C. GC Minutes 5.28, 13; 6.24.13 D. QC Minutes 5.22.13; 6.26.13		MOTION by Nevins to approve items 3.A-G and 2 nd by Hirsch.	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
E. Extension of Labor Compliance Agreement F. Approved QC Policies 6.26.13; 7.24.13 G. MEC Credentialing 5.22.13 <i>revised</i> ; 6.26.13; 7.24.13		All in favor.	
4. SCDHS HEALTH IMPROVEMENT AND MAINTENANCE PLAN PRESENTATION	There was a two-part presentation by Rita Scardaci and Jen Lewis with the Sonoma County Department of Health Services. Questions and discussion followed the presentation.	Inform	Mr. Boerum requested a report to the Board from the Sonoma Valley Health Roundtable.
5. SVH-MGH AFFILIATION AGREEMENT – REVISED EXHIBIT A		Action	
		MOTION by Hohorst to approve revised Exhibit A <i>as amended</i> and a 2 nd by Carruth. All in favor.	Ms Betta added date of approval and emailed Exhibit A to MGH and SVH Materials Management on 8/5/13.
6. LANDMARK OPTION AGREEMENT/LEASE EASEMENT PURCHASE	Since the Finance Committee meeting on 7/30/13, there have been two changes to the agreement (1) it will close within 90 days (2) the risk is to be borne by the company not the hospital. A local expert (known to Mr. Fogg) has reviewed the agreement and suggested that the Mr. Reid do further due diligence with other companies like ATT. While the Board acknowledges and supports continued works on the Option Agreement, it does not feel that a motion is in order at this time.	Inform	It was agreed that upon completion of due diligence, the revised Option Agreement will go back to the FC and the Board for approvals.
7. CITY OF SONOMA SOUTH LOT DEFERRED IMPROVEMENT AGREEMENT		Action	
	The Board made separate motions to cover the Deferred Improvement Agreement as follows: a. Motion 1: approves the wording between the two parties; and b. Motion 2: approves the Performance and Indemnity Agreement.	MOTIONS by Hohorst to approve 7.a. and 7.b. There was no 2 nd . All in favor.	Indemnity Agreement was signed by Ms. Mather and Ms Betta mailed one wet/original to Michael Peterson, Archer Norris on 8/1/13.

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
8. CEO INCENTIVE COMPENSATION GOALS FY14	The Board recommended the addition of one sentence under Finance, <i>net income before restricted contributions without prior year adjustments</i> , or something to this effect.	Action	
		MOTION by Nevins to approve Incentive Compensation Goals FY14 and there was no 2 nd . All in favor.	
9. JUNE 2013 FINANCIAL REPORT	Mr. Reid presented the Finance Report for June 2013 including an update on the RAC audit process. Beginning in July 2013, the Statistical Analysis worksheet will be accompanied by an additional worksheet showing annual data.	Inform	Annual data to be available beginning with July 2013.
10. JUNE 2013 ADMINISTRATIVE REPORT	Ms. Mather presented the Administrative Report for June 2013 including leadership /organizational results, construction update, fundraising update and the status of both strategic planning and marketing.	Inform	
11. OFFICER AND COMMITTEE REPORTS		Inform/Action	
<u>A. Chair Report (Boerum/Inform)</u> i. Annual Meeting Assn. Calif. Healthcare Districts ii. Attendance at ACHD Board Meeting, 6.28.13 iii. Northern California Health Care Authority Status iv. Visit of Assembly Member Marc Levine, 11.07.13 <u>B. Governance Committee Report (Carruth/Hohorst)</u> i. Community Funding/Charitable Giving Policy (Action) PUT OVER ii. Board Legal Duties, Roles, Responsibilities, Limits (Action) APPROVED iii. Contracting Policy for Materials and Services (Action) PUT OVER <u>C. CEO Construction Committee Status Report (Coss/Inform)</u>	Announcements from Chair: a. JPA meets on Tuesday, August 6 th at 6:00 pm in the SVH Schantz Conference Room. b. Senator Lois Wolk visits the Hospital on Friday, August 23, 9-10AM. This meeting be attended by the CEO and 2 Board Members (TBD). Item B.ii. <u>Board Clerk to make change as follows:</u> 1) Under meeting management, remove the requirement that meetings end on time 2) Add an item #5 that reads. <i>Board Members should make every effort to attend hospital related activities...</i>	MOTION by Carruth to approve B.ii. , as amended in 1) and 2) and a 2 nd by Nevins. All in favor.	Two changes to item 11. B.ii. (see left) have been completed by Ms Betta and sent to Mr Carruth for final approval on 8/5/13.

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
<u>D. Quality Committee Report (Hirsch)</u> i. QC Dashboard 2013 (Action)		MOTION by Hirsch to accept the QC Report (11.D.) and approval to post it on the website. 2 nd by Nevins. All in favor.	
12. ADJOURN			
	Meeting adjourned at 8:40 p.m. There will be a Special SVH Board Meeting (Closed Session) on Wednesday, August 21, 2013 at 6:00PM (date later changed to Monday, August 19). The next Regular SVH Board Meeting will be on Thursday, September 5, 2013 at 6:00PM.		



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
TUESDAY, JULY 30, 2013
Schantz Conference Room**

Board Members Present	<i>cont.</i>	Staff/ Public/Other	Absent/Excused
Dick Fogg Sharon Nevins Peter Hohorst Steve Barclay Richard Conley	Mary Smith Phil Woodward Keith Chamberlin	Rick Reid Jeannette Tarver Sam McCandless Gigi Betta	Subhash Mishra Kelly Mather Shari Glago

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.</i>		
1. CALL TO ORDER	<i>Dick Fogg</i>		
	Call to order at 5:05PM Announcements: Kelly Mather is excused and Mary Smith will leave the meeting at 6:00PM.		
2. PUBLIC COMMENT SECTION	<i>Dick Fogg</i>		
	No public comment.		
3. CONSENT CALENDAR	<i>Dick Fogg</i>	Action	
A. FC Minutes 06.25.13		MOTION to approve Item #3.A. by Hohorst, 2 nd by Smith. All in favor.	
4. RECOVERY AUDIT CONTRACTOR (RAC) UPDATE	<i>Reid</i>	Inform	
	Mr. Reid updated the Finance Committee on current RAC cases (total of 302) and their status. The majority of the cases fall into the <i>approved</i> category. The Committee discussed the need to restate previous year financial statements, and the opportunity to bring some of the RAC "appeal won money" back into 2013 earnings.		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
5. UPDATES	<i>Reid</i>	Inform	
	<p>The Hospital is within \$4,000 of matching the \$1,000,000 Vadasz matching grant.</p> <p>Implementation of the new accounting software is underway and final training with both MGH and SVH was completed this week.</p> <p>In the past, the SVH payment to Prima Medical has been \$65,000/month. Accounting issues and management turnover have resulted in larger losses for Prima Medical. After negotiation, it was agreed that SVH would increase monthly payments to \$83,000, effective 7/1/13. On their part, Prima has committed to being more cost effective. The maximum monthly amount that SVH is obligated to pay is \$101,000.</p> <p>Bartko, Zankel & Bunzel is the legal representation on the Hospital's HIPAA Class Action Law Suit. The judge for the case has been selected and approved, the first round of interviews with Hospital staff are completed and motions are being filed. SVH has HIPAA insurance coverage of \$2 million with a \$50,000 deductible. SVH legal representation believes that this HIPAA case is not about <i>disclosure</i> but rather <i>exposure</i>.</p> <p>SVH has seen a slow-down in billing payments from insurance companies and CMSP is getting "take-backs".</p>		
6. JUNE 2013 FINANCIALS	<i>Reid</i>	Inform	
	<p>Overall for June, SVH has a net income of \$732,280 on budgeted income of \$63,150, for a favorable difference of \$669,130.</p> <p>Total net patient service revenue was under budget, risk contracts were over budget and other operating revenue was over budget bringing the total operating revenue to \$3,905,311 or (\$7,477) (under budget). Expenses were \$4,693,845 on a budget of \$4,357,080 or (\$336,765) over budget. The EBIDA prior to the restricted donations for the month was (\$191,000) or -4.9%.</p> <p>On a year to date basis, the loss prior to the restricted contributions was \$618,860. This loss includes the Medicare paybacks due to the RAC audits of \$1,109,223. Adjusting for RAC audits, the income prior to the restricted contributions would have by \$490,363 on a budget of \$433,198 or \$57,165 better than budget.</p>		
7. PROJECTED CASH FLOWS	<i>Reid</i>	Inform	
	Mr. Reid presented the 6-month cash projection and summary of the building program.		
8. QUARTERLY CAPITAL SPENDING REPORT	<i>Reid</i>	Inform	
	Mr. Reid presented the Quarterly Capital Spending Report.		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW -UP
9. QUARTERLY VOLUME UPDATE	<i>Reid</i>	Inform	
	Mr. Reid presented the Quarterly Volume Update.		
10. LANDMARK OPTION AGREEMENT-LEASE EASEMENT PURCHASE	<i>Reid</i>	Action	
	<p>Mr. Reid gave the Committee some background on the Option Agreement he is proposing with ATT. Currently, SVH leases space to ATT for a mechanical building and a cell phone tower and very recently, ATT proposed that SVH take a reduction in rent payment.</p> <p>Mr. Reid is recommending approval on the Option Agreement that would assign lease easement rights to Landmark for a period of 40 years for a total of \$217,176.</p> <p>Ms. Nevins recommends adding an end date to due diligence requests. Mr. Fogg suggests having a local expert review the Agreement at no cost to the Hospital.</p>	<p>MOTION by Nevins to advise Board that Item#10, the Option Agreement, <i>as amended</i> is in process and will be presented to the Board at a future time; and 2nd by Chamberlin. All in favor.</p>	
11. CLOSING COMMENTS/ADJOURN	<p><i>Fogg</i> 6:35 PM The next Finance Committee meets on Tuesday, August 27 at 5:00PM.</p>		



**SONOMA VALLEY HEALTH CARE DISTRICT
FINANCE COMMITTEE
MEETING MINUTES
TUESDAY, AUGUST 27, 2013
Schantz Conference Room**

Board Members Present	<i>cont.</i>	Staff/ Public/Other	Absent/Excused
Dick Fogg Steve Barclay Shari Glago Phil Woodward Subhash Mishra		Rick Reid Jeannette Tarver Sam McCandless Gigi Betta Lisa Duarte Kelly Mather	Richard Conley Peter Hohorst Keith Chamberlin Mary Smith Sharon Nevins

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.</i>		
1. CALL TO ORDER	<i>Dick Fogg</i>		
	Meeting was called to order at 5:10 PM There were not enough Committee Members in attendance to make a quorum and therefore all action items requiring action or approval will be put forward to the next FC meeting on 9/24/13.		All action items requiring action or approval will be put forward to the next FC meeting on 9/24/13.
2. PUBLIC COMMENT SECTION	<i>Dick Fogg</i>		
	No public comment.		
3. CONSENT CALENDAR	<i>Dick Fogg</i>	Action	
A. FC Minutes 07.30.13			Consent Calendar put forward to 9/24/13.
4. EDUCATION SESSION-COVEREDED CALIFORNIA AND MEDI-CAL CHANGES	<i>Duarte</i>	Inform	

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
			Presentation put forward to 9/24/13.
5. CAPITAL BUDGET APPROVAL	<i>Reid</i>	Action	
	Mr. Reid presented the Capital Budget items for 2014. The largest item is the main lobby remodel and Ms. Mather provided some detail on these plans. Two items not on the list, because they are cost prohibitive, are the fire alarm and pipes. Mr. Reid will bring these items to the Board's attention.		Correction: remove one freezer at \$5,000, it is listed twice. Capital Budget approval put forward to 9/24/13.
6. RAC UPDATE	<i>Reid</i>	Inform	
	Mr. Reid reviewed the RAC balances as of 8/27/13. RAC updates will be a standing item at both the Finance Committee and Board of Director meetings until further notice.		
7. OTHER UPDATES	<i>Reid</i>	Inform	
	<p><u>Proposed SVH Management Bonus Plan</u> Ms. Mather and Mr. Reid would like to institute a management bonus plan at SVH in an effort to keep good people on staff.</p> <p>It was proposed and if SVH has a minimum budget profit of \$1M (strictly based on operations and prior to any restricted contributions), then currently 28 directors and managers <i>could</i> qualify. Qualification would be based on a weighted system already in use at the Hospital devised by the Studer Group. The maximum bonus amounts are \$6,000 directors and \$3,000 managers.</p> <p>There was a lot of discussion and some push back on the proposed plan. There were several suggestions made about how to present the plan to both Board and public including making it more understandable, objective, clear and include an independent oversight.</p> <p><u>Capital Campaign Update</u> The Capital Campaign total is \$9.3M with a verbal of \$1.3M for a total of \$10.6M.</p> <p><u>Accounting</u> Moss Adams, SVH Auditors, have suggested that SVH account for donations received by <i>booking</i> the income (or pledge) before receiving the cash. Auditors are concerned about the growth of A/R and aging and SVH could receive an A/R adjustment.</p>		

AGENDA ITEM	DISCUSSION	ACTIONS	FOLLOW-UP
	<p>Patient Accounting practices are under review and areas of improvement have been discovered. Ideally, the next Patient Accounting manager would have extensive experience with accounting practices, front line management and provide greater oversight.</p> <p>Ms. Tarver has done an excellent job resolving previous personnel issues in the accounting department and has increased department morale.</p>		
8. JULY 2013 FINANCIALS	<i>Reid</i>	Inform	
	<p>Overall for July, SVH has a net income of \$184,544 on budgeted income of \$59,910, for a difference of \$124,634. Total net patient service revenue was under budget (\$7,722). Risk contracts were under budget (\$97,370). Other operating revenue is under budget (\$6,455), bringing the total operating revenue to \$4,081,467 or (\$111,547) under budget. Expenses were \$4,412,550 on a budget of \$4,555,401 or \$142,851 under budget. The EBIDA prior to the restricted donations for the month was \$289,550 or 7.1%.</p> <p>The <i>Operating Indicators</i> report has been added to the financials this month and the order of the reports has been changed...</p>		
9. PROJECTED CASH FLOWS	<i>Reid</i>	Inform	
	<p>In the interest of transparency, Mr. Woodard and Mr. Fogg recommend that the SVH Foundation be audited.</p>		
10. UPDATE ON LANDMARK OPTION AGREEMENT-LEASE EASEMENT PURCHASE	<p><i>Reid</i></p> <p>Since last month, three bids have been received, over 30 lease contracts have been reviewed and there have been several interviews. A company out of San Francisco is up for consideration and Mr. Fogg will do some research on their background.</p>	Inform	
11. CLOSING COMMENTS/ADJOURN	<p><i>Fogg</i></p> <p>Meeting was adjourned at 6:50 PM</p> <p>The next Finance Committee meets on Tuesday, September 24, 2013 at 5:00PM.</p>		



**SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE
REGULAR MEETING MINUTES
Monday, July 22, 2013
Schantz Conference Room**

Committee Members Present	Committee Members Absent	Administrative Staff Present
Kevin Carruth, Chair Peter Hohorst		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW- UP
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community. The vision of the SVHCD is that: SVH will be a nationally recognized, compassionate place of healing and known for excellence in clinical quality. We serve as the guide and indispensable link for our community's health care journey.</i>		
CALL TO ORDER	10:15 AM		
PUBLIC COMMENT <i>this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.</i>			
3. CONSENT CALENDAR: A. GC Meeting Minutes, 6.24.13		MOTION to approve by Carruth and unanimously accepted.	
4. CONFLICT OF INTEREST POLICY AND CODE	In light of Salinas Valley Memorial Health Care District Audit, Mr Carruth will prepare revisions to Item 4 to be presented at the SVH Board Meeting on 9/5/13.	MOTION to approve by Carruth and unanimously accepted	
5. POLICY AND PROCEDURES GOVERNING PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT AND PROCUREMENT OF PROFESSIONAL SERVICES	To be presented to the SVH Board on 8/1/13 for discussion.	MOTION to approve by Hohorst and unanimously accepted.	
6. GC WORK PLAN 2013	Mr Hohorst will ask Ms Mather to ask Colin Coffee, District Counsel, to do a SVH Board Training Session on the Brown Act and to solicit Board member questions and provide to Mr Coffee before the Board Training.	MOTION to approve by Hohorst and unanimously accepted.	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW- UP
7. TRANSPARENCY ACCREDITATION	Item 7 to be carried forward to next GC meeting on September 23, 2013. Mr. Hohorst to provide information on certification.	MOTION to approve by Hohorst and unanimously accepted.	
8. SVHCD BOARD MEMBER AND BOARD CHAIRPERSON LEGAL DUTIES, ROLES AND RESPONSIBILITIES AND LIMITS ON POWER AND AUTHORITY	Mr. Carruth to prepare Item 8 for the SVH Board Meeting on 8/1/13.	MOTION to approve by Hohorst and unanimously accepted.	
9. SVH AUTHORITY TO PURSUE LEGISLATION TO USE JOB ORDER CONTRACTING	Mr. Carruth to prepare Item 9 for the SVH Board Meeting on 8/1/13.	MOTION to approve by Hohorst and unanimously accepted.	
10. SVH POLICY ON NON-PROFIT DONATIONS AND GIFTS	Mr. Carruth to prepare Item 10 for the SVH Board Meeting on 8/1/13.	MOTION to approve by Carruth and unanimously accepted.	
11. CLOSING COMMENTS/ADJOURN	The Governance Committee Meeting on August 26, 2013 has been cancelled. The next GC meeting will be on September 23, 2013. Meeting adjourned at 12:00 PM.	MOTION to approve by Hohorst and unanimously accepted.	



**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING MINUTES
Wednesday, July 24, 2013
Schantz Conference Room**

Committee Members Present	Committee Members Absent	Guests	Administrative Staff Present
Sharon Nevins John Perez Leslie Lovejoy Howard Eisenstark Susan Idell Robert Cohen Jane Hirsch Joel Hoffman Paul Amara	Brenda Epperly Jerome Smith	Renee Duncan	Mark Kobe Gigi Betta

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Nevins</i>		
	5:03 PM		
2. PUBLIC COMMENT	<i>Nevins</i>		
<i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items</i>	No public comment.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
<i>appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.</i>			
3. CONSENT CALENDAR	<i>Nevins</i>	Inform/action	
A. QC Meeting Minutes, 6.26.13		MOTION: by Hirsch to approve (3.A.) <i>as amended</i> and 2 nd by Eisenstark. All in favor.	
4. EDUCATION SESSION ON SERVICE RECOVERY	Renee Duncan, Beta Healthcare	Inform/Discussion	
	<p>Ms Duncan gave a brief overview of Beta Healthcare’s program and philosophy, the sorry works program and the issues of disclosure and apology. In addition to practicing sorry works, Beta Healthcare recommends that SVH remain committed to developing a culture of safety combined with practices and policies that prevent crisis.</p> <p>Ms. Duncan distributed a white paper entitled <i>Respectful Management of Serious Clinical Adverse Events</i> and a booklet entitled, <i>Sorry Works! Little Book of Empathy</i> both of which will be on file.</p>		
5. QUALITY REPORT	Lovejoy	Inform	
	<p>Ms Lovejoy presented the priorities for July 2013 including utilization management, the lab survey, nursing services, staffing ratios, patient satisfaction and quality data.</p> <p>Mr Kobe reviewed the Press Ganey/HCAHPS Survey Results for March-May 2013 and Studer Group results for the first 6-months of the year. Mr Kobe also talked about the challenges the hospital faces transitioning from Press Ganey to HCAHPS surveys.</p> <p>Ms Lovejoy reviewed the (1) <i>Hospital Compare Review Report: Improving Care Through Information-Inpatient 2012</i> and the (2) <i>Hospital Compare Review Report: Hospital Performance-Outpatient 2012</i>.</p> <p>Both of the above Hospital Compare Reports will be available to the public and posted on the www this fall.</p>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
6. ORGANIZATIONAL-LEADERSHIP POLICY AND PROCEDURES	Lovejoy	Inform/Action	
	Item 6, Ms Lovejoy asked that six (6) policies and procedures previously approved by both the medical staff and senior SVP leadership be approved.	MOTION: by Hirsch and 2 nd by Idell. All in favor.	Bill Boerum to sign both Item #6 and P& Ps from 6.26.13 QC meeting. Both P&Ps will then go on the next Board Consent Calendar.
7. REPORT/DASHBOARD: QUALITY INDICATORS SUBCOMMITTEE	Hirsch	Inform/Action	
	The last three items on the report will be removed and Mr Perez will submit the amended report to Ms Betta to be included as a separate item on the Board Agenda for August 1, 2013. Ms Hirsch will do the presentation at the Board meeting and it is an action item	MOTION: by Idell to approve <i>as amended</i> and 2 nd by Hirsch. All in favor.	
8. CLOSING COMMENTS	<i>Nevins</i>		
9. ADJOURN	<i>Nevins</i>		
10. UPON ADJOURNMENT OF REGULAR OPEN SESSION	<i>Nevins</i>		
11. CLOSED SESSION	<i>Amara</i>	Inform/action	
		MOTION: by Hoffman and 2 nd by Hirsch. All in favor.	
12. REPORT OF CLOSED SESSION/ADJOURN	<i>Nevins</i>		
	Adjourn 6:45PM		



**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE
REGULAR MEETING MINUTES
Wednesday, August 28, 2013
Schantz Conference Room**

Committee Members Present	Committee Members Absent/Excused	Guests	Administrative Staff Present
John Perez Leslie Lovejoy Howard Eisenstark Susan Idell Robert Cohen Jane Hirsch Paul Amara Joel Hoffman	Brenda Epperly Jerome Smith Sharon Nevins Mark Kobe		Gigi Betta

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve and restore the health of everyone in our community. The vision of the SVHCD is that SVH will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link in our community members' health care journey.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Hirsch</i>		
	5:04 PM		
2. PUBLIC COMMENT	<i>Hirsch</i>		
<i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be</i>	No public comment.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
<i>invited to make comments at the time the item comes up for Committee consideration.</i>			
3. CONSENT CALENDAR	<i>Hirsch</i>	Inform/action	
A. QC Meeting Minutes, 7.24.13		MOTION: by Eisenstark to approve (3.A.) and 2 nd by Idell. All in favor.	
4. QUALITY REPORT	<i>Lovejoy</i>	Inform	
	Ms Lovejoy presented the Quality and Resource Management Report and Priorities touching on Nurse Forums, Midas upgrade to Data Vision, Completion of EHR and Physician Advisor Implementation, Building Activation Team and Nursing Education.		
5. POLICY AND PROCEDURES	<i>Lovejoy/Kobe</i>	Inform/Action	
A. Provisions of Care B. Medical Imaging		MOTION: by Eisenstark and 2 nd by Amara to approve both A and B. All in favor.	
6. CLOSING COMMENTS	<i>Hirsch</i>		
	The Quality Indicators Subcommittee dashboard was presented to the Board on 8/1/13 and accepted. It has been passed to Bob Kenney who will make the information accessible to the public.		
7. ADJOURN	<i>Hirsch</i>		
	5:30 PM	.	
8. UPON ADJOURNMENT OF REGULAR OPEN SESSION	<i>Hirsch</i>		
9. CLOSED SESSION	<i>Amara</i>	Inform/action	
		MOTION: by Hoffman and 2 nd by Hirsch. All in favor.	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
10. REPORT OF CLOSED SESSION/ADJOURN	<i>Hirsch</i>		
	Adjourn 5:35 PM		




**POLICY AND PROCEDURE
Approvals Signature Page**


Review and Approval Requirements

The SVH departmental/organizational policies and/or procedures on the attached list have been reviewed and approved by the following organizational leaders for meeting all of the following criteria. All of these policies and procedures are:

- Consistent with the Mission, Vision and Values of the Sonoma Valley Health Care District
- Consistent with all Board Policy, Hospital Policy and Hospital Procedures
- Meet all applicable law, regulation, and related accreditation standards
- Consistent with prevailing standards of care
- Consistent with evidence-based practice

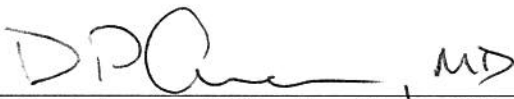
We recommend their acceptance by the Quality Committee and that the Quality Committee forward them to the Sonoma Valley Health Care District Board with a recommendation to approve.

Organizational (indicate which Dept or TJC Chapter)	
APPROVED BY: Leslie Lovejoy, RN CNO	DATE: August 2013
Director's/Manager's Signature 	Printed Name Mark Kobe



Leslie Lovejoy, RN Ph.D., CNO

8-15-2013
Date



D. Paul Amara, M.D., President of Medical Staff

8/28/13
Date

Bill Boerum, Chair, Board of Directors

Date



POLICIES/PROCEDURES MANUAL
Organizational: PROVISION OF CARE

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P.	Provision of Care
PC-104	Pain Management
PC-108	Procedural Sedation
PC-121	Rapid Response Team
PC-125	Universal Protocol
PC-156	Color- coded wrist bands
PC-159	Death Procedures
PC-168	Falls Management
PC8610-203	Pediatric Family Issues Policy
PC8610-204	Pediatric Informed Consent
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Policy Submission Summary Sheet

Title of Document: Procedural Sedation Policy PC- 108

New document or revision written by: Pamela Reed

<p>Type: Organizational</p> <p><input checked="" type="checkbox"/> Revision <input type="checkbox"/> New Policy</p>	<p>Regulatory</p> <p><input checked="" type="checkbox"/> CMS</p> <p><input type="checkbox"/> CDPH (formerly DHS)</p> <p><input type="checkbox"/> TJC (formerly JCHAO)</p> <p><input type="checkbox"/> Other:</p>
<p>X Organizational: Clinical/Non-clinical <i>(circle which type)</i></p>	<p><input type="checkbox"/> Departmental</p> <p><input type="checkbox"/> Interdepartmental <i>(List departments effected)</i></p>

Please briefly state changes to existing document/form or overview of new document/form here:
(include reason for change(s) or new document/form)

Quality Assurance for procedural sedation assigned to Anesthesia Department (as stated by the Medical Staff Office Credentialing packet for Procedural Sedation). Regulations require this be assigned to a medical staff committee or designee.

NPO for clear liquids changed to 2 hours (consistent with current ASA guidelines). Previously 4 hours.

Made nursing procedural sedation competency an annual requirement for nurses who perform procedural competency

Clarified that ACLS training is a recommendation and not a requirement for physicians credentialed to administer procedural sedation.

Defined privileges for moderate and deep sedation. Only physicians certified in Critical Care Medicine and Emergency Medicine to have privileges for deep sedation (this clarification is a regulatory requirement).

Included the drugs used at SVH for procedural sedation (made this consistent with the Medical Staff Office Credentialing packet for Procedural Sedation, which includes *dilaudid*).

Made the policy easier to read.

Reviewed By	Date	Approved (Y/N)	Comment
Surgery Committee	8/6/13	Y	
Medical Executive Committee	8/15/13	Y	

Type: Policy Submission Summary Sheet X Revision New Policy	Regulatory X CMS X CDPH (formerly DHS) X TJC (formerly JCHAO) <input type="checkbox"/> Other:		
X Organizational: Clinical/Non-clinical <i>(circle which type)</i>	<input type="checkbox"/> Departmental X<input type="checkbox"/> Interdepartmental <i>(List departments effected)</i>		
<p>The two pediatric policies listed below are newly revised for the organization. They are policies encouraged by the Valley Emergency Physician's (VEP) group to support their VE Peds initiative and revised to demonstrate the most current thought and practice on these sensitive issues. Pediatric issues around Do Not Resuscitate, family presence at the bedside during resuscitation and pediatric death/poor outcome are sensitive issues and these policies outline our position and directives for staff according to the current standards of care.</p> <ol style="list-style-type: none"> 1. PC8610-203 Pediatric Family Issues Policy 2. PC8610-204 Pediatric Informed Consent <p>The following policies have been revised, reviewed or retired:</p> <ol style="list-style-type: none"> 3. PC-121 Rapid Response Team; minor revision includes empowerment to patient, family, visitor, staff to call an RRT 4. PC-159 Death Procedures: no changes reviewed only 5. PC LB-204 Critical Value Reporting; no changes reviewed only 6. PC-104 Pain Management; no changes, reviewed only 7. PC-108 Procedural Sedation; NPO standards updated, made annual competency for RNs, defined privileges for moderate and deep sedation 8. PC-162 Education , Patient and Family: no changes, reviewed only 9. PC-168 Falls Management: no changes, reviewed only 10. Specialty Physician Emergency Care: retired from organizational policy, is med staff policy 11. Transporting of Monitoring Patients: No changes, reviewed only 12. PC-125 Universal Protocol: No changes, reviewed only 13. PC-156 Color- coded wrist bands: No changes, reviewed only 14. Attire and Traffic in the Operating Room: Retired 15. PCLB 206 Acute Blood Transfusion Reaction: Retired, replaced by Post Transfusion Policy 16. PCLB 202 Blood Administration: Retired, replaced by Nursing Blood Admin policy 17. PCLB 203Blood Usage in Massive and Trauma Transfusion: Retired, replaced by Massive Transfusion Protocol 18. PCLB 210 Release of Blood Products; Retired replaced by Nursing policy 19. PC 170 Conservative Sharp Debridement; Retired SVH does not have wound care certified RN 20. PC LB 113 Recording Thermometer Documentation; Retired, Pharmacy Policy 21. PC LB 200 Arterial Puncture for ABG; Retired, Lab policy 22. Autopsy Policy; Retired, Pathology Policy 			
Reviewed By	Date	Approved (Y/N)	Comment



POLICY AND PROCEDURE
Approvals Signature Page

Review and Approval Requirements

The SVH departmental/organizational policies and/or procedures on the attached list have been reviewed and approved by the following organizational leaders for meeting all of the following criteria. All of these policies and procedures are:

- Consistent with the Mission, Vision and Values of the Sonoma Valley Health Care District
- Consistent with all Board Policy, Hospital Policy and Hospital Procedures
- Meet all applicable law, regulation, and related accreditation standards
- Consistent with prevailing standards of care
- Consistent with evidence-based practice

We recommend their acceptance by the Quality Committee and that the Quality Committee forward them to the Sonoma Valley Health Care District Board with a recommendation to approve.

Departmental/Organizational (Medical Imaging)	
APPROVED BY:	DATE:
Jackie Lyons	
Director's/Manager's Signature	Printed Name
	Jackie Lyons RT

Kelly Mather,
Chief Executive Officer

8/21/13

Date

Robert Cohen, MD
Chief Medical Officer

8/20/13

Date

D. Paul Amara, MD
President of Medical Staff

8/28/13

Date

Bill Boerum
Chair, Board of Directors

Date



**POLICIES/PROCEDURES MANUAL
PROVISION OF CARE
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MI 7630-1	Weekly Fluoroscopy Monitoring/Safety
MI 7630-2	C-Arms – Equipment Operation and Maintenance
MI 7630-2a	C-Arm Spacer Cone Policy
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Policy Submission Summary Sheet

Title of Document: Imaging Policies

New document or revision written by: Rudolph Neura

<p>Type C-Arm Policy</p> <p><input type="checkbox"/> Revision <input checked="" type="checkbox"/> New Policy</p>	<p>Regulatory</p> <p><input type="checkbox"/> CMS</p> <p><input checked="" type="checkbox"/> CDPH (formerly DHS)</p> <p><input type="checkbox"/> TJC (formerly JCHAO)</p> <p><input type="checkbox"/> Other:</p>
<p><input type="checkbox"/> Organizational: Clinical <i>(circle which type)</i></p>	<p><input checked="" type="checkbox"/> Departmental</p> <p><input type="checkbox"/> Interdepartmental <i>(List departments effected) Medical Imaging</i></p>

Please briefly state changes to existing document/form or overview of new document/form here:
(include reason for change(s) or new document/form)

MI 7630-1 Weekly Fluoroscopy Monitoring Policy.
MI 7630-2/2a C-Arms/Equipment Operation and Maintenance.

MI 7630-1 Policy outline how to accomplish the Weekly Fluoroscopy QA
MI 7630-2/2a New policy for C-arm to include preventative Maintenance, Testing, Location documentation and spacer cone removal.

Reviewed By	Date	Approved (Y/N)	Comment



5.

APPOINTMENT TO
THE AUDIT
COMMITTEE OF
DENNIS CIOCCA



Meeting Date: September 5, 2013

Prepared by: Bill Boerum, Board Chair

Agenda Item Title: Appointment to Audit Committee of Dennis Ciocca

Recommendation: Concur with Chair's Appointment. Majority of Board needs to approve the appointment.

Background and Reasoning: There is a vacancy on the seven member, Audit Committee consisting of one of the two Community Members.

Currently the audit of the District's financial statements is underway and a report from our audit firm, Moss Adams LLC is expected on October 15.

There are three reasons to appoint Dennis Ciocca:

- As a result of Dennis' many years in municipal underwriting and providing financial advisory services in the field of public sector finance, he has the requisite background and experience in analyzing and understanding the audited financial statements of public entities;
- Having served initially as a member and later as he is now, as co-chair of the District's Board-appointed, Citizens' Bond Oversight Committee he has an acquaintance with the financial control dynamics relating to our \$43 million new wing construction project, and in his current capacity providing an annual report to the Board and the public; and,
- He has the endorsement of Sharon Nevins, Board Treasurer and Member of the Audit Committee with whom I have conferred on this appointment.

Consequences of Negative Action/Alternative Actions: The Audit Committee and in the turn the Board, would be deprived of Ciocca's expertise and insight in reviewing the audit report about to be delivered.

Financial Impact: None. Non-employee members of the Committee serve without compensation.

Selection Process: The Chair and the Board Treasurer conferred on the two applications received and determined that Dennis Ciocca was the best choice.

Board Committee: None.

Attachment: Professional Qualifications of Dennis Ciocca.

Professional Qualifications of Dennis Ciocca

Dennis G. Ciocca

Senior Vice President

Stern Brother & Co.

255 W. Napa St., Ste. R

Sonoma, CA 95476

707.935.3757 (Ph)

707.935.3818 (Fax)

dciocca@sternbrothers.com

Experience: Mr. Ciocca joined Stern Brothers in 2010 and is the manager of the Sonoma Investment Banking office. He has spent his 45 year career in public finance providing financial services to public agencies in the Western United States; most recently (1995-2010) was a partner and Senior Managing Director at the regional firm of Sutter Securities Incorporated. Mr. Ciocca worked with an impressive array of governmental issuers including the States of California, Hawaii, New Mexico and Oregon; the Bay Area Rapid Transit District, the East Bay Municipal Water District and San Diego County Water Authority. During his tenure at Sutter, he had structured redevelopment agency financings for the Cities of Los Angeles, San Diego, San Francisco and San Jose. Dennis is a former governor of the Municipal Forum of San Francisco as well as a member of the Municipal Bond Club of San Francisco.

Background: Mr. Ciocca graduated from Oregon State University (B.S. 1962) and the University of Oregon (M.B.A. 1964).



6.

**PROPOSAL FOR
MANAGEMENT
INCENTIVE
COMPENSATION**



Meeting Date: September 5, 2013

Prepared by: Kelly Mather, CEO

Rick Reid, CFO

Agenda Item Title: Proposal for Management Incentive Compensation

Recommendation: It is recommended that the hospital offer a Management incentive compensation plan if the organization exceeds our financial goal by \$1,000,000 or more and leaders meet or exceed their FY 2014 goals. The maximum costs to the hospital would be \$117,000.

Background and Reasoning: Incentive compensation programs are very common in hospitals and an important in recruiting. They also build a sense of teamwork within the management ranks. The incentive compensation will only be available after the District has exceeded the budget for net income prior to and capital donations by one million dollars. The payments would not be paid until the annual audit was completed.

This was discussed at the August 27 finance committee. The committee was in favor of this program as long as it was understandable, objective, clear and had independent oversight. The plan would be based on each leader's measurable goals as recorded in the Leadership Evaluation Manager (see scores from FY 2103.) The goals are measurable and determined prior to the beginning of the fiscal year. We also recommend that the incentive calculations be reviewed by an outside auditor to provide the independent oversight. This review would include testing of the measurements and their related amounts.

The maximum incentive compensation is based on the leader's position and will be capped at \$3,000 for managers and \$6,000 for directors. Only Sonoma Valley Hospital employees would be eligible for the plan.

Consequences of Negative Action/Alternative Actions: This is an enhancement to the management compensation plan. The negative consequence would be management dissatisfaction and the potential loss of qualified recruits.

Financial Impact: Maximum payout of \$117,000 if the Hospital has exceed its budget and has an income before the capital donations of one million dollars or greater.

Selection Process and Contract History: NA

Board Committee: Finance

Attachments: Leadership Evaluation Manager scores for 2013 and sample goal

Annual Evaluation - 2013

Name	Leader	Department	Division	Job Title	Year Ending
Mather, Kelly		Administration	President/Chief Executive Officer	President/Chief Executive Officer	2013

Service | 20%

Goal : To increase In-Patient satisfaction to the amount of 50th percentile as measured by Press Ganey.

Result : 53 for Jul thru Jun
Calculation Method : Last

Scoring

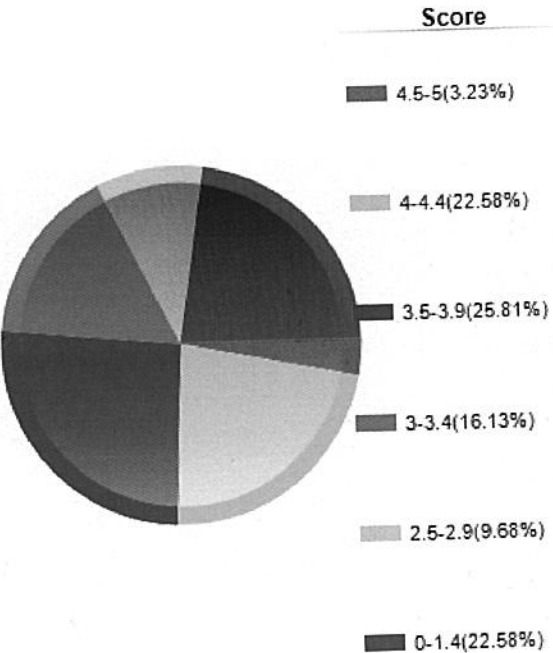
Units : Percentile last quarter
Higher is better
5 is 70 and above
4 is 60 to 69.9
3 is 50 to 59.9
2 is 40 to 49.9
1 is 39.9 and below

Item Scores	Score	Weighted Value
1	3	10%
2	3	0.3
3	3	0.3
4	3	0.3
5	3	0.3

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
38	43	9	34	78	50	35	36	32	35	40	53

Leader List			
Name	Rank	Overall Score	Percent
Shannahan, Ellen	1	4.5	100
McMahon, Courtney	2	4.4	96
Lovejoy, Leslie	3	4.3	92
Kobe, Mark		4.1	
Kutza, Chris		4.2	
Lee, Barbara		3.8	
McMahon, Courtney		4.4	
Reed, Pam		0.0	
Tarver, Jeanette	4	4.3	88
Donaldson, Michelle	5	4.2	83
Kutza, Chris	6	4.2	79
Evans, Melissa	7	4.1	75
Kobe, Mark	8	4.1	71
Evans, Melissa		4.1	
Headley, Pauline		3.2	
Lee, Barbara	9	3.8	67
Sendaydiego, Fe	9	3.8	63
Seyfert, Beverly		0.0	
Mather, Kelly	10	3.8	58
Cohen, Robert		3.0	
Coss, Kevin		0.0	
Davis, Paula		3.6	
Donaldson, Michelle		4.2	
Kuwahara, Dawn		3.5	
Lewis, Steven		0.0	
Lovejoy, Leslie		4.3	
Lyons, Jackie		2.9	
Plenty, Harmony		3.5	
Reid, Rick		0.0	
Valenzuela, Lois		2.8	
Woodall, Vivian		3.7	
Woodall, Vivian	11	3.7	54
Davis, Paula	12	3.6	50
Cole, Kathy	13	3.5	46
Plenty, Harmony	13	3.5	42
Kuwahara, Dawn	13	3.5	38
Cole, Kathy		3.5	
Grzybowski, Marek		0.0	
McDowell, Leanne	14	3.4	33
Duarte, Lisa	15	3.3	29
Headley, Pauline	16	3.2	25
Drummond, Kimberly	17	3.0	21
Cohen, Robert	17	3.0	17
Lyons, Jackie	18	2.9	13
Valenzuela, Lois	19	2.8	8
Starr, Sheryl	20	2.5	4

Leaders





7.

INTRODUCING THE NEW SONOMA VALLEY HOSPITAL

**Introducing the
NEW
Sonoma Valley Hospital**

Today's Topics

- Welcome and Introductions
- The Past, Present and Future
- Financial Stability Model
- Marketing and Communications
- Healthy Community
- Sharing the Message

The Past

2003

- Should Sonoma have a hospital and if so, what does it offer?
- Financial viability concerns
- Quality of care was questioned
- No way to meet seismic regulations without bond support
- Lack of specialist physicians
- Culture was not positive

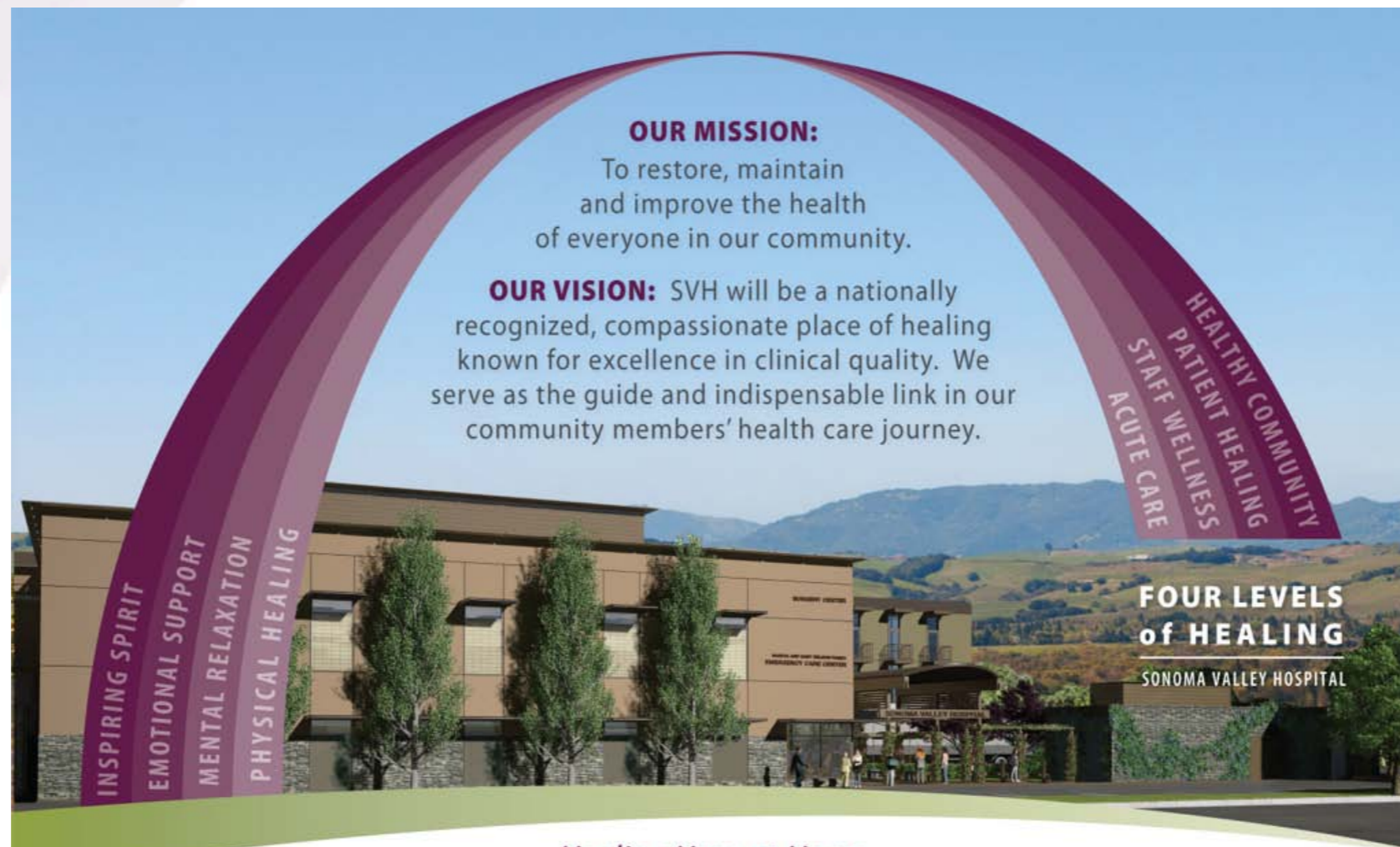
The Old Hospital



Traditional Community Hospital Model



Touchstones of the New SVH



Healing Here at Home

OUR VALUES: C.R.E.A.T.I.N.G **Compassion:** We show consideration of the feelings of others at all times. **Respect:** We honor and acknowledge the value of the people, place and resources in providing care. **Excellence:** We strive to exceed the expectations of the people we serve. **Accountability:** We are reliable, self-responsible owners of the outcomes of our organization. **Teamwork:** We are productive and participative staff members who energize others. **Innovation:** We seek new and creative solutions to deliver quality healthcare. **Nurturing:** We cultivate, develop and educate those with whom we work to achieve their highest potential. **Guidance:** We direct and lead our community members through their healthcare journey and in health improvement.

The Present

The New Hospital



2013

- Hospital has the vision and clear core services that contribute to financial stability and meet demand
- National best practices, technology & high patient satisfaction
- Upgraded, patient centered facilities
- Physician leaders & specialists
- Positive culture

Did you know?

- SVH is in the **top quartile** for Emergency Patient satisfaction, Home Care and Skilled Nursing Facilities in the nation
- SVH provides outstanding **quality care** for heart attacks and strokes
- SVH has **tertiary level physicians** who work at both Marin General and Sonoma Valley
- SVH uses **Tele-medicine** to bring clinical expertise here at home for most illnesses
- SVH has a best of class **Electronic Health Record**

The Re-Invention of SVH

- SVH is pro-actively addressing the changes in the industry and evolving economic environment by redefining our service structure for financial health.
- SVH is responding to a disruptive period in healthcare by reinventing the role of a small local hospital by focusing on creating a healthy community.

Creating a Healthy Community

Healing Hospital

Inspiring Spirit
Emotional Support
Mental Relaxation
Physical Healing



Community Health
Patient Led Healing
Staff Wellness
Acute Care

Hospital has Financial Health
Via a New Service Structure

New SVH Service Structure



Emergency is our #1 Focus

- Symbol of the New SVH and gateway to hospital for entire community
- Community trust driver: *SVH saves lives with modern ER*
- Quality patient care; best practices and state-of-art facilities
 - Ability to address all acute care needs
 - Face-to-face consultation with remote specialists when needed
 - Access to latest technology with new modern surgery center
 - Most patients seen within 10 minutes
 - More space, comfort and enhanced privacy in treatment rooms
 - Upper quartile nationally in patient satisfaction
 - New physical environment allows for increased volumes

The Future

- Sonoma Valley becomes a recognized healthy community
- SVH has financial health
- SVH becomes a national model for community hospitals
- SVH is known as a place of healing



FINANCIAL STABILITY MODEL

SVH Service Structure

Focus
Service Units

- Commitment
- Growth
- Income

Foundational
Service Units

- Stable cash flow

Healthy Community

Our Changing Environment

- Over the past 5 years SVH has seen a significant shift in services despite strong physician recruitment

Services	2009	2010	2011	2012	2013	% change
Emergency	9008	8801	9335	9432	9395	↑4%
Surgery	1546	1493	1626	1560	1517	↓2%
Home Care	10578	10809	9954	10571	12098	↑14%
Skilled Nursing	7081	7198	8024	7490	7624	↑8%
Outpatient Rehab	32271	27811	34358	33368	30503	↓3%
Inpatient Admissions	1605	1549	1664	1490	1364	↓28%
Outpatient Revenue (gross)	74.3m	68.8m	77.9m	94.8m	102.6m	↑38%

Financial Stability Strategies

- Reduce out-migration
 - Capture patients back from Kaiser (i.e. Western Health Advantage)
 - Capture patients leaving the community for care with top quality specialists serving patients here at home
- Grow our focus service units
 - Reach outside our primary market area using regional strategies for some focused services
 - Prepare for increases in some services due to the market increases in patients 65 and over

"Go local" with Employers

- We aim to inspire employers to choose plans that use our hospital and physicians
- Our market is made up of two zip codes in the Valley: 95476 (Sonoma) and 95442 (Glen Ellen)
- We are reaching out to over 500 employers in the Valley
- Our partner, Western Health Advantage, can compete with Kaiser and it adds value by giving employees a choice of physician and hospital

Keeping Sonoma Patients in Sonoma

- SVH now has almost every specialty available here at home.
- We recently welcomed the following physicians into our community:

Daniel Ahn DO

Diwata Hope Bose MD

Robert H. Byers MD

Peter D. Eisenberg MD

Leah M. Kelley MD

Harry Neuwirth MD

C. Robert Pettit MD

Carl L. Speizer MD

Brian W. Su MD

Nikola H. Tede MD

William Keyser MD

Ophthalmologist

OBGyn

Spine Surgery

Hematology/Oncology

Breast Surgery

Urology

Ear, Nose and Throat

Occupational Medicine

Spine Surgery

Pediatric Cardiology

Occupational Medicine

Surgery Center

Specialties	Average Reimbursement per case	Increased Revenue	Goals
Orthopedic	\$8,707.46	\$644,392	↑ Market Share 32% (+75 cases)
General Surgery	\$9,761.33	\$390,440	↑ Market Share 45% (+40 cases focused on Bariatrics)
Gynecology	\$6,361.80	\$318,050	↑ Market Share 45% (+50 cases)
Urology	\$6,602.37	\$231,070	↑ Market Share 15% (+35 cases)

Home Care

Demand	Baseline Profit	Goal Profit
Service Population ↑ 15% over next 5 years (65+)	\$600,000/year	\$1 million

- Expanding into Marin & West Sonoma County
- New technology, telemedicine and ACO
- Fastest growing service due to healthcare reform

Skilled Nursing Facility

Demand	Baseline Profit	Goal Profit
Service Population ↑15% over next 5 years (65+)	\$750,000/year	\$1 million

- SVH is uniquely positioned to provide continuum of care with our excellent extended care programs
- SVH offers higher level of rehabilitation services than other long- term care facilities
- Reduced acute care length of stay is driving patients to Skilled Nursing facilities sooner

Outpatient Rehab

Demand	Baseline Profit	Goal Profit
Service Population ↑ 15% over next 5 years (65+)	\$200,000/year	\$250k

- Rehab is trending upward over the last 5 years
- New state of the art facility opened in 2011
- Non-invasive rehabilitation is now required to be done before elective orthopedic surgery
- Number of visits are now limited

MARKETING & COMMUNICATIONS

Marketing Objectives

- Strengthen perception that hospital plays vital, expanded role in community health
 - Indispensable link in community's health care journey – “go to” center for local needs
- Support services with greatest growth potential
 - Within local market and new markets
 - Emphasis on Home Care, Orthopedics and Bariatrics
- Explain why SVH is national model for community hospitals
 - We are creating the story right now

Audiences

Sonoma Valley Residents

- Seniors 55+
- Women 25+
- Hispanics

North Bay Residents

- Home Care, Bariatrics and Orthopedic patients

Stakeholders

- PCPs, Specialists
- Prima, Meritage, health plans
- MGH, PDH
- Community leaders
- Hospital staff
- Donors

Re-introducing SVH

- Opening new wing begins a conversation about the new role SVH plays in community and region
 - Planned media and events will introduce new SVH story
 - Major insert planned for IT and as event handout
- Healing Hospital discussion shifts center of gravity for hospital – SVH approaches community and stakeholders through expanded core values proposition
 - Community wellness, not just acute care
 - Hospital as champion and role model for health
 - Inspire patients to lead their healing

New Messaging

Healing Here at Home



The Future of Healthcare is Here

With the opening of our state-of-the-art Emergency Care Center and Surgical Wing, Sonoma Valley Hospital enters a new era of service to the community.

Healing Here at Home

Sonoma Valley Hospital is deeply committed to the health of our community. We are a warm, comfortable place of healing, known for our caring professional staff and our dedication to meeting the needs and expectations of our patients. Offering outstanding care and compassionate support, we strive to ensure a safe and comfortable experience for all our patients.

"Getting good emergency care so quickly saved his life"



"Thirty years ago we rushed our three-month-old son, Justin, to the Sonoma Valley Hospital Emergency Room. He was turning blue and barely breathing. We were frantic with worry. Getting good emergency care for him so quickly saved his life."

"We have never forgotten how fortunate we were to have the hospital nearby. We support the new Emergency Care Center because we want other families in our community to continue to receive the wonderful medical support we had at such a critical time."

Marcia and Gary Nelson

For more information about The Capital Campaign for Emergency Care at Sonoma Valley Hospital, contact: Harmony Plenty, Campaign Director 707-935-5070



FOR IMMEDIATE RELEASE

Contacts: Kris Montgomery, Hospice By The Bay
(415) 526-5592. KMontgomery@hospicebythebay.org

Vivian Woodall, Sonoma Valley Hospital
707.935.5005, vwoodall@svh.com

Sonoma Valley Hospital and Hospice by the Bay Open North Bay's First Hospice Care Room A "Home Away From Home" for Terminally Ill Patients

Sonoma Valley Hospital and Hospice by the Bay have opened a new hospice care room at the hospital to provide care and comfort to patients. This is the first in-patient room dedicated solely to hospice care in the North Bay.

At the new Hospice Facility, the single-bed Hospice Care Room provides a "home away from home" – a comfortable place for patients and their families, staffed by hospice and hospital staff, and spend

Sonoma Valley Hospital Patient Information Guide

HEALING HERE AT HOME

www.svh.com

A New ER...



FOR YOU!

Fall 2013

Sonoma Valley Hospital is Your Partner for a Healthy Life

Sonoma Valley Hospital wants to be your partner in your journey to a healthy life. We offer a number of specialized services to improve your health and the quality of your life.



Dr. Amaria



Dr. Bose

Women's Health

We offer a complete range of services to help women stay healthy, from state-of-the-art digital mammography and bone density testing to prenatal and pelvic health. Our caring doctors, many of whom are women, are experts in women's health. For more information, call: 707.935.5215



Joint Pain Surgery

Don't let chronic joint pain keep you from living the active life you desire. We offer a comprehensive approach to joint replacement, including advanced procedures for knees, hips and shoulders, using minimally invasive surgery whenever possible. For more information, call: 707.935.5607



Dr. Perryman

Weight Loss Surgery

Bariatric surgery can be a life-changing and even lifesaving procedure for those struggling with morbid obesity and obesity-related medical conditions. For more information on the different procedures offered by our experienced, board-certified surgeons, call: 707.721.8818

Healing Here at Home

707.935.5000 • www.svh.com
347 Andrieux Street • Sonoma, CA, 95476



Local Marketing

Community Communications

- Maintain flow of information to community, consistent messaging
 - Strong presence in local papers (articles, ads)
 - Revitalized hospital website, social media
 - Promote community outreach programs
 - Leverage informal community communications opportunities

Local Marketing

- Economic Impact Study
 - Educate community about hospital's economic importance
- Community Survey
 - Assess community perceptions
 - Involve those who do not use hospital
- Community "Bulletin Board"
 - Monthly section in newspaper devoted to hospital news, outreach programs

Local Marketing

- Support revenue-producing services with marketing and media support
 - SNF
 - Rehab
 - Home Care
 - Women's Health
- Support specialists who agree to reduce patient out-migration (Spine, Urology, etc.)
- Create closer relationships with Partners (Prima, MGH, PDH)

Sonoma Valley Hospital's
Skilled Nursing Facility
Ranks Among The Best In The Nation

MEDICARE FOUR TO FIVE STAR RATING
2013 Winner AHCA/NCAL Commitment to Quality Award

Sonoma Valley's Skilled Nursing Facility provides excellent post-acute care, high-level patient experience and outstanding continuity of care.

Attentive Professional Medical Care 24/7

- 2 on-site physicians available 24 hours per day (ER doctor and Acute Care Hospitalist)
- RNs-only nursing staff (no LVNs)
- Case manager
- 27 licensed beds
- Semi-private rooms completely remodeled in 2012
- IV antibiotics every 4 hours, TPN, PPN, blood transfusions



All of Sonoma Valley's Skilled Nursing rooms have been extensively remodeled.

On-site access to:

- Laboratory
- Pharmacy
- Medical Imaging, MRI, CT
- Respiratory Therapy
- Registered Dietitian
- Social Worker
- Physical, Occupational and Speech Therapists
- Psychologist
- Infection Control Nurse
- Wound Care Nurse
- Medical Surgical Services
- Intensive Care Unit, Emergency Department
- Palliative Care, Hospice

Contact Case Management:
707.935.5058 (phone)
707.935.5118 (fax)
347 Andrieux Street
Sonoma CA, 95476



Regional Marketing

- Home Care
 - Fall expansion into Marin County
 - Stronger relationship with Kaiser
 - Enter new North Bay markets in 2014
 - New Brand

**Personalized Home Health Services
for Marin and Sonoma**

Sonoma Valley Hospital is expanding its nationally-recognized Home Care Program into metropolitan Marin County to provide skilled, medically-necessary and individualized care to homebound patients under physician orders.

Our professional team includes:

- Registered Nurses
- Physical, Occupational, and Speech Therapists
- Home Health Aides
- Medical Social Workers

For More Information, Contact:
Sonoma Valley Hospital Home Care
707-935-5135
Between 8:30 AM and 5:00 PM, Monday through Friday



SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

State licensed, Medicare certified, and accredited by the Joint Commission on the Accreditation of Healthcare Organizations; Home Care Elite™ Agency 2011 and 2012



Regional Marketing

- Orthopedics
 - Continue, expand efforts
 - 3 community seminars
 - 70 participants; tracking results
 - Targeted advertising
 - Prima partnership
 - Joint pain outreach program through rehab

Is joint pain keeping you from the active life you love?

Learn about orthopedic breakthroughs in surgery and pain management.

FREE LECTURE
Tuesday, May 21
5:30 - 7:00 pm
Vintage House
264 First Street East
Sonoma, CA 95476



Don't let chronic pain in your shoulder, knee or hip keep you from living the active lifestyle you want and deserve. Come hear from our experts about the latest advances in surgery, pain management, and physical therapy that can have you back in motion in no time. This informative lecture will include presentations from five orthopedic specialists and there will be time for your questions at the end. Light refreshments will be served.

Space is limited.
Call today to register, 707.935.5458

347 Andrieux Street Sonoma, CA 95476 • 707.935.5000



SONOMA VALLEY HOSPITAL
SONOMA VALLEY HEALTH CARE DISTRICT
Healing Here at Home

Regional Marketing

- Bariatrics
 - Expanded online presence (ObesityHelp.com, Google ads)
 - Joint effort with Prima to create regional awareness

The screenshot shows a web page for a bariatric surgeon. At the top left is the ObesityHelp logo with the tagline 'making the journey together'. To the right is a search bar for the 'Weight Loss Surgery Directory' with options to search 'By Location' or 'By Map', a text input for 'City, ST or Postal Code', a dropdown for 'Bariatric Surgeon', and a 'Go' button. Below the search bar is a navigation menu with links: HOME, ARTICLES, PHOTOS, FORUMS, GROUPS, HEALTH TRACKER, COMMUNITY, MY JOURNEY, SEARCH, REGISTER, and SIGN IN. A banner below the menu reads 'YOU'RE INVITED TO THE OBESITYHELP NATIONAL CONVENTION IN SOUTHERN CALIFORNIA.' with a 'LEARN MORE' link. The main profile section features a photo of Scott Perryman, MD, a 'Bariatric Surgeon' title, and a 'WRITE A REVIEW' button. Below the photo are tabs for OVERVIEW, REVIEWS, SEMINARS, BACKGROUND, EDUCATION, INSURERS, and MY PATIENTS. A 'PHOTOS' section shows a photo of a doctor and a patient on a scale. At the bottom, there are logos for Sonoma Valley Hospital and Prima Medical Group. The 'About Me' section describes Dr. Perryman's education and experience. The 'Location' section provides the address: 651 First Street West, Suite L, Sonoma, CA 95476, and contact information: Phone: 707-721-8818, Fax: 707-938-3076.



What's Next (Highlights)

- **November – December**
 - Introduce ER
 - Support Home Care expansion into Marin; plan further expansions
- **January – June**
 - Expanded plans for Ortho, Bariatrics
 - Joint pain clinic at Rehab
 - Community research
 - Economic Impact Study
 - Launch Healing Hospital messaging

HEALTHY COMMUNITY

What is a Healthy Community?

- Individuals know they create their health and aim to have good health status
- Individuals actively age and have a high quality of life with longevity
- The community environment inspires and supports exercise
- There is access to an abundant supply of organic foods locally
- Good community health statistics

Leading Community Health

- #1 Align community outreach initiatives with our **mission** – *to Restore, Maintain and Improve the Health of our Community.*
- #2 Reduce re-admissions through ensuring patients have access to the information, resources and support they need at home
- #3 Reduce surgical complications through proven best practices

Leading Community Health

- #4 Inspiring individuals to always be **aware** of their health status through screenings, health assessments, and outreach.
- #5 **Partner** with other health providers, non-profits, government agencies and schools to improve health in areas where the entire community shows a need for improvement.

Improving Health 2013-2014

- Events focus on increasing health awareness
 - Bi-national Health Fair
 - Project Pink
- Reduce re-admissions to the hospital
 - Community Care Transitions with County
 - Community Care Network with Meritage ACO
- Reduce surgical complications
 - Anemia Clinic
 - Guided Imagery CD

Improving Health 2013-2014

- Wellness Programs
 - Senior Wellness
 - Nutrition Counseling
 - Employer Wellness Program
- Health Awareness Centers
 - Physical Therapy screenings at Outpatient Rehab
 - Parkpoint center with health coaches
 - Women's Center resource room with bio-feedback
 - On site hospital health reports

Improving Health 2013-2014

- Integrative Health Network
 - Partnering with local health practitioner to educate the community and use a holistic and team approach to healing
- Sonoma Valley Health Roundtable
 - Partnering with the county, city, schools and community organizations to decrease obesity, decrease diabetes and reduce substance abuse
- Community Outreach to Latino residents
 - Binational Health Fair
 - Bi-lingual communications and signage

Healthy Community

- Sonoma Valley has all of the required elements to be nationally recognized as a healthy community
- SVH is leading our community toward that end



SHARE THE MESSAGE



The Re-invention of SVH

- SVH is pro-actively addressing the changes in the industry and evolving economic environment by redefining our service structure for financial health.
- SVH is responding to a disruptive period in healthcare by reinventing the role of a small local hospital by focusing on creating a healthy community.



8.

JULY 2013
FINANCIAL REPORT

**Sonoma Valley Hospital
Sonoma Valley Health Care District
July 31, 2013 Financial Report**

Board of Directors' Meeting
September 5, 2013

July's Patient Volumes

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Prior Year</u>
Acute Discharges	100	118	-18	115
Acute Patient Days	338	425	-87	396
SNF Patient Days	457	663	-206	633
Outpatient Gross Revenue (in thousands)	\$10,071	\$8,897	\$1,174	\$8,153
Surgical Cases	135	133	2	123

Summary Statement of Revenues and Expenses Month of July 31, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Percentage</u>	<u>Prior Year</u>
1 Total Operating Revenue	\$ 4,081,467	\$ 4,193,014	\$ (111,547)	-3%	\$ 3,835,921
2 Total Operating Expenses	\$ 4,412,550	\$ 4,555,401	\$ 142,851	3%	\$ 4,256,831
3 Operating Margin	\$ (331,083)	\$ (362,387)	\$ 31,304	9%	\$ (420,910)
4 NonOperating Rev/Exp	\$ 393,298	\$ 413,029	\$ (19,731)	-5%	\$ 450,100
5 Net Income before Restricted Cont.	\$ 62,215	\$ 50,642	\$ 11,573	23%	\$ 29,190
6 Restricted Contribution	\$ 122,329	\$ 9,268	\$ 113,061	1220%	\$ 1,750
7 Net Income with Restricted Contributions	\$ 184,544	\$ 59,910	\$ 124,634	208%	\$ 30,940
8 EBIDA before Restricted Contributions	\$ 289,550	\$ 338,222	\$ (48,672)		\$ 265,829
9 EBIDA before Restricted Cont. %	7%	8%	-1%		7%
10 Net Income without GO Bond Activity	\$ 67,143	\$ (58,749)	\$ 125,892		\$ (92,616)



To: SVH Finance Committee
From: Rick Reid, CFO
Date: August 27, 2013
Subject: Financial Report for the Month Ending July 31, 2013

Overall Results for July 2013

Overall for July, SVH has a net income of \$184,544 on budgeted income of \$59,910, for a favorable difference of \$124,634. Total net patient service revenue was under budget by (\$7,722). Risk contracts were under budget by (\$97,370). Other operating revenue is under budget by (\$6,455), bringing the total operating revenue to \$4,081,467 or (\$111,547) under budget. Expenses were \$4,412,550 on a budget of \$4,555,401 or \$142,851 under budget. The EBIDA prior to the restricted donations for the month was \$289,550 or 7.1%.

Patient Volumes - July

	ACTUAL	BUDGET	VARIANCE	PRIOR YEAR
Acute Discharges	100	118	-18	115
Acute Patient Days	338	425	-87	396
SNF Patient Days	457	663	-206	633
OP Gross Revenue	\$10,071	\$8,897	\$1,174	\$8,153
Surgical Cases	135	133	2	123

Overall Payer Mix - July

	ACTUAL	BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Medicare	47.9%	49.1%	-1.2%	47.9%	49.1%	-1.2%
Medi-Cal	13.1%	13.5%	-0.4%	13.1%	13.5%	-0.4%
Self Pay	4.4%	3.9%	0.5%	4.4%	3.9%	0.5%
Commercial	22.4%	23.4%	-1.0%	22.4%	23.4%	-1.0%
Managed MC	4.1%	2.9%	1.2%	4.1%	2.9%	1.2%
Workers Comp	4.9%	1.5%	3.4%	4.9%	1.5%	3.4%
Capitated	3.2%	5.7%	-2.5%	3.2%	5.7%	-2.5%
Total	100%	100%		100%	100%	

Total Operating Revenues

Total operating revenues for June were \$4.1 million on a budget of \$4.2 million or (\$111,547) under budget.

Inpatient Net Revenue is under budget by (\$216,567) or 14%, due to the following:

- Overall inpatient volume was under budget by 18 discharges
- Medicare discharges under budget by 16
- Medi-Cal patient days under budget by 27
- Self pay patient days over budget by 2,
- Commercial patient days were under budget by 7 days
- Skilled Nursing Home volume was under budget by 206 days
- Outpatient volume was over budget.
- Home Care volume was over budget by 285 visits.
- Bad Debts and Charity Care were favorable to budget by \$158,139. This was due to less charity care during the month.
- Risk Contract Revenue was under budget due to lower Napa State volume

Expenses

July's expenses were \$4.4million on a budget of \$4.5 million or under budget by \$142,851.

The following is a summary of the operating expense variances for the month of July:

- Total productivity FTE's were slightly budget at 276, on a budget of 271. Total salaries and Agency Fees were over budget by a total of (\$4,920). The reason for the negative budget variance was higher utilization of agency due to staff turnover and extended leaves of absences.
- Employee benefits were under budget by \$28,541, of this health insurance was under budget by \$25,053.
- Purchased services are under budget by \$47,714 due to Utilization Management and Information Systems budgeted projects not starting in July.

Capital Campaign Summary:

For the month of July the Hospital received \$122,329 in capital campaign donations. The total amount received from the Capital Campaign to date is \$4,024,268 offset with spending of \$895,056. The funds are included on line 16, Specific Funds on the Balance Sheet. Included on line 16 is also \$21,456 for miscellaneous restricted funds, \$114,552 received from the Foundation for the X-ray machine and \$32,270 for the Health Round Table.

	Receipts	Spending	Balance
Emergency Dept.	\$1,011,026	\$0	\$1,011,026
Operating Room	\$0	\$0	\$0
Art Work	\$100,000	\$0	\$100,000
General	\$2,913,251	\$895,056	\$2,018,195
Interest Earned	\$10,115	\$0	\$10,115
Total Capital Campaign	\$4,034,392	\$895,056	\$3,139,336
X-Ray Machine	\$114,552	\$0	\$114,552
Misc. Restricted Funds	\$21,456	\$0	\$21,456
Health Round Table	\$32,515	\$245	\$32,270
Total Specific Funds	\$4,202,915	\$895,301	\$3,307,614

These comparisons are for actual FY 2014 compared to actual FY 2013. These are not budget comparisons.

ER Visits

	ER – Inpatient				ER - Outpatient			
	CY	PY	Change	%	CY	PY	Change	%
July	109	109	0	0%	641	729	-88	-12.1%
YTD	109	109	0	0%	641	729	-88	-12.1%



**OPERATING INDICATORS
SONOMA VALLEY HOSPITAL**

For the month ended July 31, 2013

	CURRENT MONTH			YEAR-TO-DATE			
	Actual 07/31/13	Budget 07/31/13	Favorable (Unfavorable) Variance	Actual 07/31/13	Budget 07/31/13	Favorable (Unfavorable) Variance	Prior Year 07/31/12
Inpatient Utilization							
Discharges							
Acute	77	108	(31)	77	108	(31)	108
ICU	23	10	13	23	10	13	7
Total Discharges	100	118	(18)	100	118	(18)	115
Newborn	15	14	1	15	14	1	10
Total Discharges inc. Newborn	115	118	(17)	115	118	(17)	125
Patient Days:							
Acute	226	301	(75)	226	301	(75)	340
ICU	112	124	(12)	112	124	(12)	56
Total Patient Days	338	425	(87)	338	425	(87)	396
Newborn	28	30	(2)	28	30	(2)	20
Total Patient Days inc. Newborn	366	455	(89)	366	455	(89)	416
Average Length of Stay:							
Acute	2.9	2.8	0.1	2.9	2.8	0.1	3.1
ICU	4.9	12.4	(7.5)	4.9	12.4	(7.5)	8.0
Avg. Length of Stay	3.4	3.6	(0.2)	3.4	3.6	(0.2)	3.4
Newborn ALOS	1.9	2.2	(0.3)	1.9	2.2	0.3	2.0
Average Daily Census:							
Acute	7.3	9.7	(2.4)	7.3	9.7	(2.4)	11.0
ICU	3.6	4.0	(0.4)	3.6	4.0	(0.4)	1.8
Avg. Daily Census	10.9	13.7	(2.8)	10.9	13.7	(2.8)	12.8
Newborn	0.9	1.0	(0.1)	0.9	1.0	(0.1)	0.6
Long Term Care:							
SNF Patient Days	457	663	(206)	457	663	(206)	633
SNF Discharges	21	38	(17)	21	38	(17)	36
Average Daily Census	14.7	21.4	(7)	14.7	21.4	(7)	20.4
Other Utilization Statistics							
Emergency Room Statistics							
Total ER Visits	750	870	(120)	750	870	(120)	838
Outpatient Statistics:							
Total Outpatients Visits	4,209	4,135	74	4,209	4,135	74	4,091
IP Surgeries	33	37	(4)	33	37	(4)	41
OP Surgeries	102	96	6	102	96	6	82
Special Procedures	40	51	(11)	40	51	(11)	42
Home Health Visits	760	475	285	760	475	285	937
Adjusted Discharges	296	338	(42)	296	338	(42)	323
Adjusted Patient Days	1,945	2,354	(409)	1,945	2,354	(409)	2,202
Adj. Avg. Daily Census	62.8	75.9	(13.2)	63	76	(13.2)	71.0
Case Mix Index -Medicare	1.5399	1.4000	0.140	1.5399	1.4000	0.140	1.6060
Case Mix Index - All payers	1.4241	1.4000	0.024	1.4241	1.4000	0.024	1.4868

**OPERATING INDICATORS
SONOMA VALLEY HOSPITAL**

For the month ended July 31, 2013

	CURRENT MONTH			YEAR-TO-DATE			
	Actual 07/31/13	Budget 07/31/13	Favorable (Unfavorable) Variance	Actual 07/31/13	Budget 07/31/13	Favorable (Unfavorable) Variance	Prior Year 07/31/12
Labor Statistics							
FTE's - Worked	276	271	(4.7)	276	271	(4.7)	281
FTE's - Paid	312	306	(5.5)	312	306	(5.5)	322
Average Hourly Rate	35.14	36.02	0.88	35.14	36.02	0.88	33.58
Manhours / Adj. Pat Day	28.3	23.0	(5.3)	28.3	23.0	(5.3)	25.8
Manhours / Adj. Discharge	186.1	160.1	(26.0)	186.1	160.1	(26.0)	176.0
Benefits % of Salaries	23%	24%	0.8%	23%	24%	0.8%	20%
Non-Labor Statistics							
Supply Expense % Revenue	3%	3%	0%	3%	3%	0%	4%
Supply Exp. / Adj. Discharge	1,729.50	1,482.49	(247)	1,729.50	1,482.49	(247)	1,746.18
Total Expense / Adj. Discharge	15,296.94	13,773.06	(1,524)	15,296.94	13,773.06	(1,524)	13,470.26
Other Indicators							
Days Cash - Operating Funds	8.0			8.0			14.0
Days in Net AR	64.0	50.0	14	64	50.0	14	50.93
Collections % of Net Revenue	80%			80%			
Days in Accounts Payable	54.0	60.0	(6)	54	60.0	(6)	-

Sonoma Valley Health Care District
Balance Sheet
For The Period Ended
As of July 31, 2013

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Assets			
Current Assets:			
1 Cash	\$ 1,103,756	\$ 974,983	\$ 1,950,055
2 Trustee Funds	1,263,697	1,263,697	276,368
3 Net Patient Receivables	9,833,938	9,521,604	8,730,247
4 Other Accts/Notes Rec	5,340,293	5,567,016	6,382,539
5 Allow Uncollect Accts	(1,568,133)	(1,471,800)	(2,389,739)
6 3rd Party Receivables	511,173	307,054	459,770
7 Due Frm Restrict Funds	-	-	-
8 Inventory	755,936	794,634	861,455
9 Prepaid Expenses	1,185,586	1,074,412	665,177
10 Total Current Assets	<u>\$ 18,426,246</u>	<u>\$ 18,031,600</u>	<u>\$ 16,935,872</u>
11 Board Designated Assets	\$ 5,381	\$ 186,468	\$ 186,028
12 Property, Plant & Equip, Net	10,877,312	10,674,452	11,026,196
13 Hospital Renewal Program	30,073,735	29,991,133	14,246,346
14 Unexpended Hospital Renewal Funds	3,909,629	4,024,454	18,978,373
15 Investments	-	-	36,839
16 Specific Funds	3,307,614	3,430,427	2,068,848
17 Other Assets	270,175	271,813	449,168
18 Total Assets	<u>\$ 66,870,092</u>	<u>\$ 66,610,347</u>	<u>\$ 63,927,670</u>
Liabilities & Fund Balances			
Current Liabilities:			
19 Accounts Payable	\$ 3,913,688	\$ 4,037,342	\$ 4,257,850
20 Accrued Compensation	3,330,672	3,163,388	3,093,024
21 Interest Payable	857,115	714,262	857,115
22 Accrued Expenses	1,421,080	957,404	1,289,645
23 Advances From 3rd Parties	1,573,699	1,689,354	1,172,081
24 Deferred Tax Revenue	4,288,081	4,677,907	4,370,724
25 Current Maturities-LTD	850,707	795,004	1,531,487
26 Other Liabilities	2,424,891	2,424,868	212,223
27 Total Current Liabilities	<u>\$ 18,659,933</u>	<u>\$ 18,459,529</u>	<u>\$ 16,784,149</u>
28 Long Term Debt, net current portion	\$ 37,692,868	\$ 37,820,460	\$ 38,215,302
Fund Balances:			
30 Unrestricted	\$ 6,309,446	\$ 6,244,842	\$ 6,785,126
31 Restricted	4,207,845	4,085,516	2,143,093
32 Total Fund Balances	<u>\$ 10,517,291</u>	<u>\$ 10,330,358</u>	<u>\$ 8,928,219</u>
33 Total Liabilities & Fund Balances	<u>\$ 66,870,092</u>	<u>\$ 66,610,347</u>	<u>\$ 63,927,670</u>

Sonoma Valley Health Care District
Statement of Revenue and Expenses
Comparative Results
For the Period Ended July 2013

	Month				Year-To-Date				YTD
	This Year		Variance		This Year		Variance		
	Actual	Budget	\$	%	Actual	Budget	\$	%	
Volume Information									Prior Year
1 Acute Discharges	100	118	(18)	-15%	100	118	(18)	-15%	115
2 SNF Days	457	663	(206)	-31%	457	663	(206)	-31%	633
3 Home Care Visits	760	475	285	60%	760	475	285	60%	937
4 Gross O/P Revenue (000's)	10,071	8,897	1,174	13%	\$ 10,071	\$ 8,897	1,174	13%	\$ 8,153
Financial Results									
Gross Patient Revenue									
5 Inpatient	\$ 5,156,972	\$ 5,358,437	(201,465)	-4%	\$ 5,156,972	\$ 5,358,437	(201,465)	-4%	\$ 5,308,315
6 Outpatient & Emergency	9,839,271	8,778,938	1,060,333	12%	9,839,271	8,778,938	1,060,333	12%	7,876,257
7 SNF	1,802,466	2,286,280	(483,814)	-21%	1,802,466	2,286,280	(483,814)	-21%	1,843,983
8 Home Care	231,484	117,592	113,892	97%	231,484	117,592	113,892	97%	276,474
9 Total Gross Patient Revenue	\$ 17,030,193	\$ 16,541,247	488,946	3%	\$ 17,030,193	\$ 16,541,247	488,946	3%	\$ 15,305,029
Deductions from Revenue									
10 Contractual Discounts	\$ (12,983,854)	\$ (12,346,734)	(637,120)	-5%	\$ (12,983,854)	\$ (12,346,734)	(637,120)	-5%	\$ (11,363,508)
11 Bad Debt	(200,000)	(207,405)	7,405	4%	(200,000)	(207,405)	7,405	4%	(320,000)
12 Charity Care Provision	(2,533)	(135,580)	133,047	98%	(2,533)	(135,580)	133,047	98%	(118,636)
13 Prior Period Adjustments	-	-	-	0%	-	-	-	0%	-
14 Total Deductions from Revenue	\$ (13,186,387)	\$ (12,689,719)	(496,668)	4%	\$ (13,186,387)	\$ (12,689,719)	(496,668)	4%	\$ (11,802,144)
15 Net Patient Service Revenue	\$ 3,843,806	\$ 3,851,528	(7,722)	0%	\$ 3,843,806	\$ 3,851,528	(7,722)	0%	\$ 3,502,885
16 Risk contract revenue	\$ 224,547	\$ 321,917	(97,370)	-30%	\$ 224,547	\$ 321,917	(97,370)	-30%	\$ 319,610
17 Net Hospital Revenue	\$ 4,068,353	\$ 4,173,445	(105,092)	-3%	\$ 4,068,353	\$ 4,173,445	(105,092)	-3%	\$ 3,822,495
18 Other Operating Revenue	\$ 13,114	\$ 19,569	(6,455)	33%	\$ 13,114	\$ 19,569	(6,455)	-33%	\$ 13,426
19 Total Operating Revenue	\$ 4,081,467	\$ 4,193,014	(111,547)	-3%	\$ 4,081,467	\$ 4,193,014	(111,547)	-3%	\$ 3,835,921
Operating Expenses									
20 Salary and Wages and Agency Fees	\$ 1,954,807	\$ 1,949,887	(4,920)	0%	\$ 1,954,807	\$ 1,949,887	(4,920)	0%	\$ 1,909,774
21 Employee Benefits	744,838	773,379	28,541	4%	744,838	773,379	28,541	4%	628,766
22 Total People Cost	\$ 2,699,645	\$ 2,723,266	23,621	1%	\$ 2,699,645	\$ 2,723,266	23,621	1%	\$ 2,538,540
23 Med and Prof Fees (excl Agency)	\$ 392,368	\$ 395,938	3,570	1%	\$ 392,368	\$ 395,938	3,570	1%	\$ 376,056
24 Supplies	512,096	501,154	(10,942)	-2%	512,096	501,154	(10,942)	-2%	564,227
25 Purchased Services	389,284	436,998	47,714	11%	389,284	436,998	47,714	11%	382,292
26 Depreciation	166,512	236,422	69,910	30%	166,512	236,422	69,910	30%	173,617
27 Utilities	84,114	107,354	23,240	22%	84,114	107,354	23,240	22%	88,323
28 Insurance	18,888	18,699	(189)	-1%	18,888	18,699	(189)	-1%	19,375
29 Interest	25,898	16,233	(9,665)	-60%	25,898	16,233	(9,665)	-60%	33,011
30 Other	123,745	119,337	(4,408)	-4%	123,745	119,337	(4,408)	-4%	81,390
31 Operating expenses	\$ 4,412,550	\$ 4,555,401	142,851	3%	\$ 4,412,550	\$ 4,555,401	142,851	3%	\$ 4,256,831
32 Operating Margin	\$ (331,083)	\$ (362,387)	31,304	9%	\$ (331,083)	\$ (362,387)	31,304	9%	\$ (420,910)
Non Operating Rev and Expense									
33 Electronic Health Records & Misc. Rev.	\$ 119,259	\$ 119,167	92	0%	\$ 119,259	\$ 119,167	92	0%	\$ 147,156
34 Donations	1,008	3,333	(2,325)	0%	1,008	3,333	(2,325)	70%	0
35 Professional Center/Phys Recruit	-	-	-	0%	-	-	-	0%	0
36 Physician Practice Support-Prima	(81,870)	(65,630)	(16,240)	25%	(81,870)	(65,630)	(16,240)	25%	(65,630)
37 Parcel Tax Assessment Rev	237,500	237,500	-	0%	237,500	237,500	-	0%	245,018
38 GO Bond Tax Assessment Rev	152,326	153,584	(1,258)	-1%	152,326	153,584	(1,258)	-1%	153,567
39 GO Bond Interest	(34,925)	(34,925)	-	0%	(34,925)	(34,925)	-	0%	(30,011)
40 Total Non-Operating Rev/Exp	\$ 393,298	\$ 413,029	(19,731)	-5%	\$ 393,298	\$ 413,029	(19,731)	-5%	\$ 450,100
41 Net Income / (Loss) prior to Restricted Contributor	\$ 62,215	\$ 50,642	11,573	23%	\$ 62,215	\$ 50,642	11,573	23%	\$ 29,190
42 Capital Campaign Contribution	\$ 122,329	\$ 9,268	113,061	1220%	\$ 122,329	\$ 9,268	113,061	1220%	\$ 1,750
43 Restricted Foundation Contributions	\$ -	\$ -	-	0%	\$ -	\$ -	-	100%	\$ -
44 Net Income / (Loss) w/ Restricted Contributions	\$ 184,544	\$ 59,910	124,634	208%	\$ 184,544	\$ 59,910	124,634	208%	\$ 30,940
45 Net Income w/o GO Bond Activity	\$ 67,143	\$ (58,749)	125,892	214%	\$ (55,186)	\$ (68,017)	12,831	19%	\$ (94,366)

Sonoma Valley Hospital
Statement of Cash Flows
For the Period Ended

	<u>Current Month</u>	<u>Year To Date</u>
Operating Activities		
Net Income (Loss)	184,551	184,551
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	166,512	166,512
Net changes in operating assets and liabilities:		
(Increase)/Decrease Patient accounts receivable - net	(216,001)	(216,001)
(Increase)/Decrease Other receivables and other assets	24,242	24,242
(Increase)/Decrease Prepaid expenses	(111,174)	(111,174)
(Increase)/Decrease in Inventories	38,698	38,698
(Decrease)/Increase in Deferred revenues	(505,481)	(505,481)
(Decrease)/Increase in Accounts payable, accrued expenses	652,564	652,564
Net Cash Provided/(Used) by operating activities	<u>233,911</u>	<u>233,911</u>
Investing Activities		
Net Purchases of property, plant and equipment - Other Fixed Assets	(369,372)	(369,372)
Net Purchases of property, plant and equipment - GO Bond Purchases	(82,602)	(82,602)
Net Proceeds and Distributions from investments	-	-
Net Book Value of Assets Disposed	-	-
Change in Restricted Funds	-	-
Change in Limited Use Cash	418,725	418,725
(Payment)/Refund of Deposits	-	-
Net cash Provided/(Used) by investing activities	<u>(33,249)</u>	<u>(33,249)</u>
Financing Activities		
Proceeds (Repayments) from Borrowings - Banks & Carriers	(71,889)	(71,889)
Proceeds (Repayments) from Borrowings - Other		
Net Intercompany Borrowings/(Repayments)		
Change in Post Retirement Obligations & Other Net Assets	-	-
Net Equity Transfers to related entities (Cash and Non-Cash)		
Net cash Provided/(Used) by financing activities	<u>(71,889)</u>	<u>(71,889)</u>
Net increase/(Decrease) in cash and cash equivalents	<u>128,773</u>	<u>128,773</u>
Cash and Equivalents at beginning of period	<u>974,983</u>	<u>974,983</u>
Cash and Equivalents at July 31, 2013	<u><u>1,103,756</u></u>	<u><u>1,103,756</u></u>

Sonoma Valley Hospital
Statistical Analysis
FY 2014

	ACTUAL	BUDGET	ACTUAL													
	Jul-13	Jul-13	Jun-13	May-13	Apr-13	Mar-13	Feb-13	Jan-13	Dec-12	Nov-12	Oct-12	Sep-12	Aug-12	Jul-12	Jun-12	
Statistics																
Acute																
Acute Patient Days	338	425	323	396	315	447	449	613	456	351	443	347	432	396	354	
Acute Discharges	100	118	87	99	88	122	128	159	117	104	121	109	117	115	107	
SNF Days	457	663	470	638	589	725	678	707	671	638	576	617	682	633	688	
HHA Visits	760	475	990	1,140	1,101	1,067	1,001	1,076	940	921	1,043	802	1,052	937	941	
Emergency Room Visits	750	870	716	795	729	757	710	852	793	732	801	788	884	838	810	
Gross Outpatient Revenue (000's)	\$10,071	\$8,897	\$8,353	\$9,289	\$8,906	\$8,167	\$8,065	\$8,805	\$8,302	\$8,485	\$8,935	\$8,151	\$9,014	\$8,153	\$7,667	
Equivalent Patient Days	1,945	2,354	1,892	2,266	2,237	2,422	2,314	2,594	2,353	2,213	2,214	2,202	2,509	2,202	2,355	
Births	15	14	8	15	12	16	11	19	13	14	9	11	16	9	15	
Surgical Cases - Inpatient	33	37	30	42	25	35	33	38	32	35	37	37	40	41	28	
Surgical Cases - Outpatient	102	96	86	105	90	96	80	78	94	95	91	97	98	82	92	
Total Surgical Cases	135	133	116	147	115	131	113	116	126	130	128	134	138	123	120	
Medicare Case Mix Index	1.54	0.00	1.58	1.62	1.50	1.55	1.36	1.52	1.51	1.47	1.29	1.49	1.40	1.61	1.50	
Income Statement																
Net Revenue (000's)	4,068	4,262	3,821	3,324	3,986	3,945	3,938	4,006	4,085	3,679	3,963	3,707	3,926	3,822	4,832	
Operating Expenses (000's)	4,413	4,555	4,694	4,529	4,407	4,577	4,353	4,632	4,482	4,235	4,407	4,221	4,312	4,257	5,278	
Net Income (000's)	185	60	732	(651)	149	251	114	237	134	174	67	65	127	31	889	
Productivity																
Total Operating Expense Per Equivalent Patient Day	\$2,269	#DIV/0!	\$2,481	\$1,999	\$1,970	\$1,890	\$1,881	\$1,786	\$1,905	\$1,914	\$1,990	\$1,917	\$1,719	\$1,933	\$2,241	
Productive FTEs	279	271	277	282	286	291	290	284	284	266	281	291	284	281	285	
Non-Productive FTE's	36	36	40	28	34	31	32	37	33	47	36	39	37	41	34	
Total FTEs	315	306	317	311	320	322	322	321	317	313	316	330	321	322	318	
FTEs per Adjusted Occupied Bed	4.25		4.25	4.25	4.29	4.12	3.77	3.84	4.24	4.24	4.43	4.37	3.97	4.53	4.05	
Balance Sheet																
Days of Expense In General Operating Cash	8		7	12	17	15	9	9	14	7	12	14	13	14	13	
Net Days of Revenue in AR	64		62	59	55	51	53	51	53	52	53	50	50	50	48	



9.

**JULY 2013
ADMINISTRATIVE
REPORT**



To: Sonoma Valley Healthcare District Board of Directors
From: Kelly Mather
Date: 8/27/13
Subject: Administrative Report

Summary: We are on “all systems go” for the opening of the new Emergency and Surgery Center in November. The hospital will be using this opening as a chance to re-introduce our hospital to the community. Financial health and stability is a major focus for SVH this year. Out-patient volumes were up again in July and hit an all time high this month. The evidence of the shift in our services continues as we have seen a 28% reduction in inpatient services from 2009. We are responding well to this shift and started the year with a net income of **\$62,215** (without restricted contributions.) The hospital has also started to win some of the RAC appeals to CMS and we hope to recover a good portion of the money that was denied in May.

Leadership and Organizational Results (Dashboard)

As you can see from the July dashboard, we have had a good start for the new fiscal year. We changed a number of goals based on the last year performance and budget. Our patient satisfaction goals are high and I’m pleased to say it looks like we are on track to meet them. Expenses were under budget. Inpatient volumes were very low in July for both acute and skilled nursing. As this trend continues, we elected to no longer track inpatient admissions and focus the organization goals on growth objectives for surgeries and outpatient revenue. The July event was the “New ER for You” at the parade and booth on the plaza which had a very positive community response.

New Wing Construction & Fundraising

The construction project is still on budget and scheduled to open in November. We are now focused on the details such as ensuring the facility presents a healing environment and honoring our community and donors. We continue to work with the community leaders to raise \$11 million for this project to avoid any debt for the new building and we believe we can meet this goal. The community wide capital campaign has begun. The New Wing community opening is **Saturday, November 16th**.

Strategic Planning & Marketing

The strategic plan is coming alive and our marketing and growth plan for FY 2014 is complete. We are responding to the disruptive changes in the healthcare economic environment by re-inventing our hospital. In fact, we believe we have a new model for community hospitals. Our #1 focus area is exactly what the community wanted: state of the art, modern Emergency Services. In addition, we have identified the service units that contribute profit to our organization and created plans to increase their volumes. We believe some of the service lines can become regional services such as Home Care, Orthopedics, and Bariatrics. We also have started marketing to our local employers to inspire them to choose health plans that use our physicians and hospital. We are sharing the good news about the many specialists that can serve our community right here at home.



JULY 2013 DASHBOARD

PERFORMANCE GOAL	OBJECTIVE	METRIC	ACTUAL RESULT	GOAL LEVEL
Service Excellence	High In-Patient Satisfaction	5 out of 8 HCAHPS results above the 50 th percentile	4 out of 5 86.9%	>5 = 5 (stretch) >4 = 4 >3 = 3 (Goal) >2 = 2 <1=1
	High Out-Patient Satisfaction	Press Ganey monthly mean score	Outpatient 93.8% Surgery 93.2 % Emergency 89.4%	>94% = 5 (stretch) >93%=4 >92% =3 (Goal) >91%=2 <90%=1
Quality	Excellent Clinical Outcomes	Value Based Purchasing Clinical Score	100% for 6 months of the last 12	100% for 12 mos= 5 100% 9/12 mos=4 100% 6/12 mos =3 >90%=2 <80%=1
People	Highly Engaged and Satisfied Staff	Press Ganey percentile ranking of current mean score	2012 77% mean score at 80 th percentile	>85 th = 5 (stretch) >82nd=4 >80th=3 (Goal) >77th=2 <76 th =1
Finance	Financial Viability	YTD EBIDA	7%	>10% (stretch) >9%=4 >8% (Goal) <7%=2 <6%=1
	Efficiency and Financial Management	FY 2014 Budgeted Expenses	\$4,412,550 (actual) \$4,555,401 (budget)	<2% =5 (stretch) <1% = 4 <Budget=3 (Goal) >1% =2 >2% = 1
Growth	Surgical Cases	Increase surgeries by 2% over prior year	135 YTD FY2014 123 YTD FY 2013	>2% (stretch) >1%=4 >0% (Goal) <0%=2 <1%=1
	Outpatient Volumes	2% increase (gross outpatient revenue over prior year)	\$10.1 million YTD \$8.9 million 2013	
Community	Community Benefit Hours	Hours of time spent on community benefit activities for the fiscal year	219 hours for 1 month	>1500 = 5 >1200 = 4 >1000 = 3 >750 = <500 = 1



FY 2013 - 2014 TRENDED RESULTS

MEASUREMENT	Goal FY 2014	Jul 2013	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013
Inpatient Satisfaction	>87%	86.9	85.6	85.2	84.2	88.8	88.1	86.9	86.6	87.1	86.5	86.1	86.5
Outpatient Satisfaction	>93%	93.8	94.2	94.4	92	93.7	91.7	94	93.5	91.6	92.8	91.8	92.7
Surgery Satisfaction	>93%	93.2	91.9	90.8	93.8	91.9	87.5	94.5	93.7	92.9	92.8	92.0	92.6
Emergency Satisfaction	>89%	89.4	88.2	82.5	84.5	87.2	90.1	90.7	89.4	88.8	89.1	89.5	88.9
Value Based Purchasing Clinical Score	100		90	90	91	91	100	100	100	100	100	90	100
Staff Satisfaction	>77%	77	75	75	75	75	75	77	77	77	77	77	77
Turnover	<10%	2.8	7.9	7.6	7.6	7.6	8.6	8.6	8.6	8.6	3.6	3.6	3.6
EBIDA	>8%	7	9	8	8	7	7	8	8	8	9	0	8
Net Revenues	>3.9m	4.08	3.98	3.7	3.96	3.7	4.09	4.3	3.9	4.2	3.9	3.3	3.8
Expense Management	<4.5m	4.4	4.3	4.2	4.4	4.4	4.5	4.3	4.3	4.5	4.4	4.5	4.7
Net Income	>50	62	125	65	55	174	90	219	61	114	91	-651	732
Days Cash on Hand	>20	8	13	14	12	7	14	9	9	15	17	12	7
A/R Days	<55	64	50	50	53	52	53	51	53	51	55	56	62
Total FTE's	<320	315	321	330	316	313	317	321	322	322	320	311	317
FTEs/AOB	<4.5	4.25	4.53	4.37	4.43	4.24	4.24	3.84	3.7	4.12	4.29	4.25	4.25
Inpatient Discharges	>100	100	117	109	121	104	117	159	128	122	88	99	87
Outpatient Revenue	>\$8.8m	10.1	9.0	8.1	8.9	8.5	8.3	8.8	8.0	8.1	8.9	9.3	8.3
Surgeries	>130	135	138	97	128	130	126	116	113	131	115	147	116
Home Health	>1000	760	1052	802	1043	921	940	1076	1001	1067	1101	1140	990
Births	>15	15	16	11	9	14	13	19	11	16	12	15	8
SNF days	>660	457	682	617	576	638	671	707	678	725	589	638	470
MRI	>120	119	95	82	130	99	100	83	82	107	125	104	106
Cardiology (Echos)	>70	76	56	74	72	67	75	86	68	74	70	91	73
Laboratory	>12.5	12.0	12.9	11.7	13.7	12.2	11.9	14.2	11.8	12.2	11.9	12.4	10.7
Radiology	>850	959	876	811	931	819	811	940	902	900	829	915	828
Rehab	>2587	2868	2798	2455	2471	2175	2051	2502	2526	2690	2771	2736	2657
CT	>300	392	326	281	327	295	279	345	324	277	328	272	301
ER	>775	838	823	788	801	732	741	852	804	757	729	795	716
Mammography	>475	486	487	472	629	556	475	431	431	494	481	545	431
Ultrasound	>300	263	352	275	336	287	290	348	295	298	343	302	292
Occupational Health	>550	492	538	465	521	451	405	538	574	521	523	556	494



10.

**OFFICER AND
COMMITTEE
REPORTS**

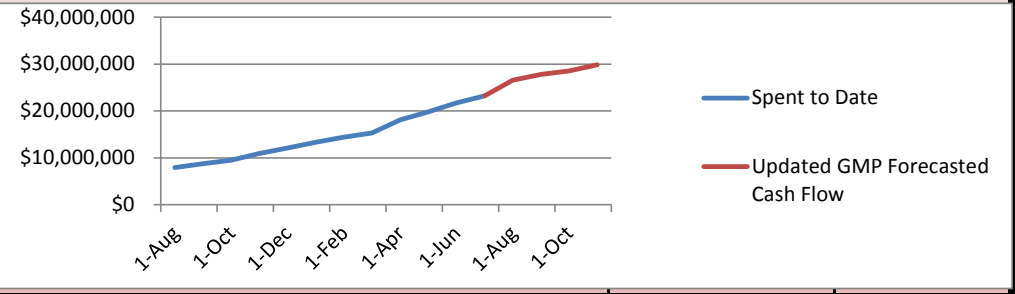
Sonoma Valley Hospital - Phase 1 - Expansion.

Project Update/ Dashboard - Increment 1 & 3

Thursday, August 15, 2013

Schedule		Target	Actual	Budget		Est Dollar Amount
MRI relocation		9/26/2012	9/26/2012	Total Approved Budget		\$43,809,376
Complete New Entrance		9/27/2012	9/27/2012	Project Contingency		\$550,487
Start New Building		9/27/2012	9/27/2012	Current Commitments to 5-15-13		-\$248,962
Install Footings		12/31/2012	12/27/2012	Project Contengency Remaining		\$301,525
Steel Top Out		2/13/2013	2/13/2013	SVH Contingency Project Risks		
Deck Pour Completion		4/9/2013	3/7/2013	2nd Floor West Projects		\$10,000
Roof Completion		5/15/2013	5/15/2013	Nurse Call Cabling and Oshpd requirements		\$50,000
Enclose Building Exterior		7/8/2013	8/14/2013	4th Street Light		In Progress
Interior Wall Close Up		6/28/2013	7/26/2013	Neptune Equipment Relocation		\$12,000
Permanent Power		8/23/2013	On Schedule	Reserve for Move in Conflicts/Nesting Items		\$150,000
Substantial Completion		10/28/2013	On Schedule	OTTO Construction Contingency Status.		
Final Completion		11/12/2013	On Schedule	Design Build Contingency		\$894,302
Generator On Line - 900Kw		5/31/2013	Critical	Spent to Date		-\$312,398
Chillers On Line		5/13/2013	Complete	Project Contingency remaining		\$581,904
Contract		Target	Actual	Potential Project Risk		
Medical Equipment		Ongoing	Lease	Medical equipment Installation		In Progress
Commissioning Agent		6/15/2013	Approved	OSHPD		In Progress

Owner Decisions	Target	Actual	Comments
Data Service - Comcast	10/1/2013		In Progress
Medical Equipment Delivery	7/31/2013		In Coordination
4th Street Light	7/31/2013		In Coordination
Furniture	8/1/2013		Complete
Signage - Interior	8/1/2013		Complete
Donor Wall - Final Design	7/1/2013		In progress



Facility Impacts		Target	Actual
Generator - 900Kw tie in		6/17/2013	In Planning
Utility Disruptions		Ongoing	Ongoing
2 West Patient Rm Upgrades		9/30/2013	In Progress

Critical Issues	Target Date	Status
Generator Install 900kw - Existing building	8/27/2013	In Progress
Generator Install 250kw - New Wing	10/15/2013	Outstanding
Managing Commissioning Schedule	10/25/2013	In Progress
Seismic Joint - Final completion	9/1/2013	In Progress
IT Closets - West Wing	9/6/2013	In Progress
Medical Equipment Installation	10/15/2013	Outstanding

Upcoming Activites	Target	Actual
PG&E Conduit Install	7/15/2013	Complete
PG&E Energize - New Wing	8/23/2013	In Coordination
Comcast Install	10/1/2013	In Progress

Critical or High Impact	Potential Risk / Unresolved/ Medium Impact	On Track
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Meeting Date: August 1, 2013

Prepared by: Kevin Carruth, Governance Committee Chair
Peter Hohorst, Governance Committee Member

Agenda Item Title: Job Order Contracting (JOC) Legislation

Recommendation:

The Board shall approve the CEO to work with the Association of California Health Districts, the California Special District's Association, the Gordian Group and others as needed to introduce legislation in the 2013-14 legislative session, and then work to pass and have signed legislation that would result in the District having the option to use Job Order Contracting (JOC) as a project delivery methodology for renovation, rehabilitation and repair of its facilities and infrastructure.

Background:

Currently the District has two legislatively approved project delivery methodologies, design-bid-build and design-build. JOC could provide the District with a third project delivery methodology. This optional procurement method would allow the District to get numerous smaller, commonly encountered construction projects done quickly and easily through multi-year contracts. JOC reduces unnecessary levels of engineering, design, and contract procurement time along with construction project procurement costs by awarding long-term contracts for a wide variety of renovation, repair and construction projects.

With an emphasis on partnering and team work between owners and contractors, JOC provides the methodology to execute a wide variety of indefinite delivery, indefinite quantity, fixed-price simultaneous orders for renovation, rehabilitation and repair work for facilities and infrastructures.

JOC contractors are selected on qualifications and performance in accordance with state statutes. There is currently no JOC authority for Health Care Districts, or Special Districts in general. Existing state JOC statutes allow the use of low bid. JOC is about performance, reliability, dependability and quality. At the same time, JOC is about results and working within budget and time constraints. The JOC contractor provides "on call" construction services from concept to close-out and allows for projects to move much quicker and at a clearly definable price, which can be readily agreed upon based on the very clearly defined contractor's bid which is the basis for the JOC contract financial component.

JOC has a 25-year record of implementation within the United States Department of Defense where it was initially developed. The JOC concept and principles have been further embraced across the country in all areas of publicly funded state facilities, universities, housing authorities, transportation agencies, and school systems. Not only public sector but also private sector facility owners are expanding the use and implementation of the JOC procurement system. Currently the University of California, counties, school districts, and the City of Los Angeles have obtained legislative authority to use JOC in California.

If the legislature granted this authority to our District, and/or health care districts and/or Special Districts collectively, it would still be the Board's option to use JOC. However, at the current time the legislatively approved mechanisms are not in place to allow this methodology to be used by the District. In essence this would give greater flexibility to the Board, which can also reduce the time and money required to for the Hospital to do renovation, repair and construction projects within the constraints of California's procurement laws.

Legislative language is readily available in statutes already passed by the California legislature approving the use of JOC contracting for state agencies and units of local government.

It would seem that such legislation may have broad appeal amongst health care districts and special districts, and they would appear to be natural allies and possible co-sponsors of such legislation. The Gordian Group is a private firm that provides services to those organizations that want to put JOC contracting in place. The Gordian Group has been instrumental in working collaboratively with the legislature and California local government and their representative organizations to have legislation introduced, passed and signed allowing those agencies the option of using JOC.

Consequences of Negative Action/Alternative Actions:

The Board and the District will not provide the CEO with the authority to pursue and support the introduction, passage and signing of JOC legislation which would allow the District/Hospital to adopt and implement JOC.

Financial Impact:

No impact to pursue legislation. But this will provide the District/Hospital an alternative method of contracting for smaller capital improvements that may be more cost effective, depending on the project, if the use of JOC and JOC contracts were approved by the Board.

Selection Process and Contract History:

None.

Board Committee:

The GC unanimously recommends approval.

Attachment:



Meeting Date: September 5, 2013

Prepared by: Kevin Carruth, Governance Committee Chair
Peter Hohorst, Governance Committee Member

Agenda Item Title: Discussion of District Policy on Community Funding and Charitable Giving

Recommendation:

The Board shall discuss the issue and give general guidance to the Governance Committee to develop a draft policy for Board action. The issues for Board discussion include, but are not necessarily limited to:

1. How should decisions about such funding be made—by the Board, delegated to the CEO by the Board, some combination of the two?
2. What criteria should be used to approve/disapprove requests for funding?
3. Regardless of whether the Board or the CEO is making the decision, before approving a request there shall be written justification containing the following:
 - a. The name of the community organization,
 - b. The event or activity to be financially supported,
 - c. The amount requested,
 - d. How such support benefits the Mission of the District, and
 - e. How District funding for this project fits the District's Mission, the Board approved policy, and the Hospital procedures.Is there additional information needed before making a decision?
4. If authority for these decisions is delegated to the CEO how shall the Board and public know when, to whom, and how much community funding is provided, as well as any constraints on the funding?
5. If the District receives tickets to events and they are provided to Board members or employees, how shall this information be tracked and publicly reported.

Background:

In March 2012 the Bureau of State Audits released its audit of the Salinas Valley Memorial Health Care District. That audit was entitled *Salinas Valley Memorial Healthcare System -- Increased Transparency and Stronger Controls Are Necessary as It Focuses on Improving Its Financial Situation*. (The audit can be found at

<http://www.bsa.ca.gov/pdfs/reports/2011-113.pdf>) This issue was one of the items specifically addressed in that audit.

The California Constitution prohibits public agencies from making gifts of public funds. Currently the District does not have a policy or written procedures to ensure that it complies with this requirement when making decisions about providing funds to community programs. As a public agency managing public funds, the District must ensure that its charitable donations and sponsorships (community funding) further the specific public purposes for which the District was created. Our District's Mission is, "To restore, maintain and improve the health of everyone in our community." Without a Board policy and Hospital procedures to ensure that the District's and Hospital's community funding furthers its public purposes, it risks making or appearing to make gifts of public funds.

It is clearly within the purview of the District to authorize funding to other organizations which further the District's public purposes.

The District policy and procedures shall track the disposition to its Board Members and/or employees of event tickets or anything else it receives of value from entities to which it provides community funding, so that it can meet applicable state and District Conflict of Interest reporting requirements. When the District Board or employees receive such tickets to events from the District or the Hospital, the tickets could be considered either income or gifts. State regulations require the District to publicly disclose who receives the tickets. If the tickets are considered gifts, they may also be economic interests that could prohibit the Board or Hospital decision makers who receive them from making decisions involving the entities that provided the gifts, should that occasion arise.

The intent is that this Board Policy, when followed with Hospital procedures to implement the policy, should fully implement the recommendations made in that audit report on this issue.

Consequences of Negative Action/Alternative Actions:

The Board and the District will still not have a policy addressing this issue. There have been at least two such requests in the past year.

Financial Impact:

None.

Selection Process and Contract History:

None.

Board Committee:

The GC unanimously recommends discussion and guidance on the development of the draft policy.

Attachment:

None.

July 18, 2013

POLICY AND PROCEDURES GOVERNING PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT AND PROCUREMENT OF PROFESSIONAL SERVICES.

Purpose:

It is the intent of the Board of Directors ("Board") of the Sonoma Valley Health Care District ("District") to provide an equal opportunity to all qualified and responsible parties wishing to participate in the bidding process with respect to the District and the Sonoma Valley Hospital ("Hospital").

It is the intent of the Board, consistent with the District's obligations, to obtain the best value for all expenditures.

It is the intent of the Board to clarify, with this policy, the authority granted to the District President and Chief Operating Officer ("CEO") by the Board with regard to District and Hospital purchases and contracts. It is also the intent to clarify the authority retained by the Board.

In all instances where authority is granted to the CEO, it is understood that the CEO may in turn delegate this authority to a member of the CEO's staff. Responsibility for adherence to this policy, when the authority is delegated by the CEO to a staff member, remains with the CEO.

Statement of Board Policy:

Section 1. Scope and Application of the Policy

1.1 Delegation of Authority

The Board hereby makes selective delegation of its authority to the CEO to implement this Policy. By this Policy the Board also limits the CEO's authority as specified in Section 5 [Limit of Authority Delegated to the CEO].

1.2 Bidding Threshold

The District, with certain exceptions, as covered in Section 2 [Exceptions to Bidding and Lowest Bid Policy], (H&S Code 32132) shall follow the formal bidding procedures outlined in Section 3 [Formal Bidding Procedures] for any contract exceeding twenty-five thousand dollars (\$25,000) for services, materials and supplies to be furnished, sold, or leased to the District or the Hospital and shall award the contract to the lowest responsible bidder. Alternately, the District shall reject all bids.

Bidding is not required for contracts that are excepted under Section 3 and for contracts that do not exceed \$25,000, but bidding or other suitable procedures should be followed to obtain the best value for the District

1.3 Authority to Make Purchases.

The CEO is hereby given authority to make all purchases and to execute all purchase orders or contracts for the District duly authorized pursuant to this Policy. All purchases and contracts shall be upon written order.

1.4 Contract File

The CEO shall keep and maintain written records of all contracts. The contract file shall include the method used to select the contractor or service provider, a copy of the request for proposal (RFP) or other form of solicitation, the amount of the contract, the expiration date of the contract, and the name of the contractor or service provider. When the formal bidding procedure is required, file shall also include a copy of the Notice of Bids and the names of all bidders and their proposals.

The contract file for all contracts awarded under the exceptions listed in section 2 shall include a description of the exception and an explanation of the method used to select the contractor or service provider.

The contract file shall include the names of any employ of the District, or any Board member who elected to recuse themselves from the award process because of a conflict of interest.

1.5 Conflict of Interest

With respect to all contracts covered by this Policy, any practices or procedures which might result in unlawful activity shall be prohibited, including practices which might result in rebates, kickbacks or other unlawful consideration. No employee of the District may participate in any selection process when such employee has a relationship with a person or business entity seeking a contract which would subject those employees to the prohibitions in *Government Code* § 87100.

1.6 No Advantage.

No illegal, unfair, unethical or otherwise improper advantage shall be accorded to any bidder by the District, a Board member or an employee of the District/Hospital.

Section 2 Exceptions to Bidding and Lowest Bid Policy

The District shall not be required to utilize the formal bidding process or to award the contract to the lowest bidder to (a) emergency contracts, (b) contracts for medical or surgical equipment or supplies, (c) electronic data processing and telecommunications goods and services, (d) professional services, (e) energy services contracts, or (f) purchases made through a Group Purchasing Organization ("GPO") (H&S Code 32132. b, e).

Section 2.1 Emergency Contracts.

Notwithstanding anything to the contrary, the Board may award contracts for more than \$25,000, without following the formal bidding and lowest bid policy, if it first determines (i) an emergency exists that warrants such expenditure due to fire, flood, storm, epidemic or other disaster and (ii) it is necessary to protect public health, safety, welfare or property. (H&S Code 32136). In the event that the emergency requires immediate action, the CEO may make the determination that an emergency condition exists and award a contract without first receiving Board approval. The CEO shall inform the Board of the emergency and the contract by email within 24 hours and shall review the emergency and the contract at the next regularly scheduled Board meeting.

Section 2.2 Medical Equipment and Supplies

Notwithstanding anything to the contrary, the CEO may award contracts for more than \$25,000 without following the formal bidding and lowest bid policy for medical equipment and supplies commonly, necessarily and directly used by or under the direction of a physician or surgeon in caring for or treating a patient. (H&S Code 32132.a & d).

Section 2.3 Electronic Data Processing and Telecommunications Goods and Services

Notwithstanding anything to the contrary, the CEO shall award contracts for more than \$25,000 without following the formal bidding and lowest bid policy for electronic data processing and telecommunications goods and services in based on the evaluation of competitive means. (H&S Codes 32132.b, & 32138).

The CEO shall provide the Board and the Board shall approve the competitive means that will be used for all electronic data processing and telecommunications goods and services.

Section 2.4 Energy Services Contract

Notwithstanding anything to the contrary, the District shall award contracts for more than \$25,000 energy services contracts for energy conservation, cogeneration, and alternate energy supply sources without following the formal bidding and lowest bid policy if the contract is in the best interest of the District and the contract is made public at a regularly scheduled Board meeting. (Government Codes 4217.11 & 4217.12)

Section 2.5 Group Purchasing Organizations

Notwithstanding anything to the contrary, the CEO may award contracts that are placed through an accredited Group Purchasing Organization ("GPO") in excess of twenty five thousand dollars (\$25,000) without following the formal bidding and lowest bid policy (Revenue and taxation Code 23704). (H&S Code 32132.e)

Section 2.6 Professional Services

Notwithstanding anything to the contrary, the CEO may award contracts for professional services in excess of twenty five thousand dollars (\$25,000) without

following the formal bidding and lowest bid policy or the use of competitive means, provided such persons are specially trained, experienced and competent to perform the special services required and have been selected based on these qualifications. (H&S Code 32132.b, Government Code 53060).

The Policy and Procedures Governing Bidding for Facility Contracts shall be followed for the contracts for profession services of architectural, engineering, environmental, land surveying, or construction project management firms if the work is to be performed in conjunction with an approved facility project.

Section 3. Formal Bidding Procedure

Section 3.1 Bid Packet

Where formal bidding is required, the CEO shall prepare a bid packet, including a notice inviting formal bids ("Notice Inviting Bids"). The packet shall include a description of the materials or supplies, scope of services, or work in such detail and written with such specificity as may be required to allow all potential bidders to understand the need and give a level playing field to all bidders.

Section 3.2 Notice Inviting Bids

Where formal bidding is required, the CEO shall publish the Notice Inviting Bids at least fourteen (14) calendar days, but preferably twenty (20) calendar days, before the date of opening the bids. Notice shall be published at least twice, not less than five (5) days apart, in a newspaper of general circulation, printed and published in the jurisdiction of the District. (Public Contract Code 22037).

In addition, the CEO may also publish the Notice Inviting Bids in a trade publication as specified in Public Contract Code 22036 and may give such other notice as it deems proper.

Section 3.3 Requirements of Notice Inviting Bids.

The CEO shall include all of the following in the Notice Inviting Bids:

- a. A description of the item(s) to be bid upon;
- b. The procedure by which potential bidders may obtain electronic copies of the Specifications;
- c. The final time and date for receiving and opening of bids (including designation of the appropriate District person) (Government Code § 53068; Public Contract Code §§ 4104.5, 22037). If the District elects to receive bid electronically, this option must be included in the Notice Inviting Bids.
- d. The appropriate District person to receive the bids and the address for that person, including an e-mail address.
- e. The date, time and place for opening of bids;
- f. Other matters, if any, that would reasonably enhance the number and quality of bids.

Section 3.4 Submission of Bids.

The CEO shall accept only written sealed bids from the prospective bidders. The CEO shall date and time stamp all bids upon receipt. All bids shall remain sealed until the date and time set forth for opening the bids in the Notice Inviting Bids. Any bid received by the District after the time specified in the Notice Inviting Bids shall be returned unopened. (Government Code 53068). Any electronic bids received after the time specified shall have their attachments deleted and the bidder notified electronically of their rejection.

Section 3.5 Examination and Evaluation of Bids

On the date, time and at the location provided in the Notice Inviting Bids, the District shall publicly open the sealed bids. A person designated by the CEO, shall attend and officiate over the opening of bids ("Opening"). The bids shall be made public for bidders and other properly interested parties who may be present at the Opening.

The District reserves the right not to determine the low bidder at the Opening, to obtain the opinion of counsel on the legality and sufficiency of all bids, and to determine at a later date which bid to accept. Such determination shall be made within sixty (60) days of the Opening or unless a different period of time is specified in the Notice Inviting Bids.

In the event there are two or more identical lowest bids pursuant to any provision requiring competitive bidding, the CEO may determine by lot which bid shall be accepted. (Government Code 53064)

Section 3.6 Award of Contract

When formal bidding is required the CEO shall award the contract to the lowest bidder, provided the bidder is responsible as defined by section 3.7 and the bid is reasonable and meets the requirements and criteria set forth in the Notice Inviting Bids

Any contract awarded by the District shall be subject to all applicable provisions of federal, California and local laws. In the event of a conflict between any contract documents and any applicable law, the law shall prevail.

Notwithstanding anything to the contrary, the District is under no obligation to accept the lowest responsible bidder and reserves the right to reject all bids. (H&S Code 32132)

Section 3.7 Responsible Bidder

a. For purposes of this Policy, "responsible bidder" means a bidder who has demonstrated the attribute of trustworthiness and quality during prior service, a reputation for reliability and satisfactory service with other clients, sufficient financial capacity and the physical capability and the technical and non technical expertise in order to perform the contract satisfactorily (Public Contract Code 1103).

b. If the CEO determines that the lowest bidder is not responsible, the Board may award the contract to the next lowest responsible bidder

c. If the Board decides to award the contract to a bidder other than the lowest bidder pursuant to subparagraph (b), the Board shall first notify the low bidder of any evidence, either obtained from third parties or concluded as a result of the District's investigation, which reflects on such bidder's responsibility. The District shall afford the low bidder an opportunity to rebut such adverse evidence and shall permit such bidder to present evidence that it is qualified. Such opportunity to rebut adverse evidence and to present evidence of qualification shall be submitted in writing to the District.

Section 4. Bid Conditions.

All formal bids shall be subject to the following general conditions.

4.1 Minimum Number of Bids.

When formal bidding is required the CEO shall consider a minimum of three (3) bids whenever possible; however, where the CEO cannot obtain three bids or when the CEO decides that time will not permit obtaining three bids, the Board may authorize considering less than three bids.

The District may accept sole source bids for contracts that are exempt from the formal bidding policy under section 2.

4.3 Multiple Bids.

When bids for multiple items are solicited at the same time, the CEO may accept parts of one or more bids (provided the Notice Inviting Bids so indicates) unless the bidder has specified to the contrary, in which event the District reserves the right to disregard the bid in its entirety.

4.4 Minor Deviations.

When formal bidding is required, the CEO, after receiving advice from counsel, may waive inconsequential deviations from the specifications in the substance or form of bids received.

Section 5. Limit of Authority Delegated to CEO for Materials and Services

The CEO may sign a contract for an operating expense, the cost of which has been included in the approved (by the Board) operating budget for the current fiscal year. The contract may cover a period of up to 5 years.

The CEO may sign a contract for an operating expense, the cost of which has been included in the approved (by the Board) operating budget for the current fiscal year, but the contract amount is greater than the amount in the budget, if the total dollar amount of contracts exceeding the budgeted amounts is not in excess of \$100,000 for the year. When a contract is signed that exceeds the budgeted amount the CEO should reduce operating costs in other areas to keep the impact of the contract "budget neutral." The contract may cover a period of up to 5 years.

The CEO may approve a contract for a capital expense, if the item meets the guidelines for capital projects which were included with the capital budget and approved by the Board.



August 27, 2013

The Honorable Mike Gatto
State Capitol, Room 2114
Sacramento, CA 95814

SUBJECT: SB 718 (Yee) – OPPOSE

Dear Assemblyman Gatto:

Sonoma Valley Health Care District is writing in opposition of SB 718 (Yee). We take very seriously our duty to provide a safe, healthy environment for our patients as well as our staff. However, SB 718 would impose significant costs on our hospital and divert resources from effective workplace safety programs currently in place.

Currently, we conduct an annual security and safety assessment and use the assessment to develop and update our security plan with measures to protect employees, patients, and visitors from aggressive or violent behavior. We track incidents of aggressive or violent behavior for the purposes of updating the plan to deter and manage further aggressive or violent acts of a similar nature. We consult with affected employees when developing the plan and assessment. Assessment and evaluation of employee training is a critical component of a hospital's plan.

The current structure gives us the flexibility to determine where training is needed and how to allocate resources. Given declining reimbursement rates, we will be forced to divert resources from effective aspects of our safety and security plans to pay for this new mandate. For example, our hospital-wide Culture of Safety Program.

Moreover, requiring us to train all medical staff is not feasible or reasonable given that we cannot employ our medical staff. Without the employment relationship, there is no way for a hospital to require an independent contractor physician to complete the training.

Sonoma Valley Health Care District respectfully asks for your "NO" vote on SB 718.

Sincerely,

Kelly Mather
President & CEO

cc: Governor Edmund G. Brown Jr.
Senator Lois Wolk, District 3
Senator Noreen Evans, District 2
Assemblyman Marc Levine, District 10
Assemblywoman Mariko Yamada, District 4



Meeting Date: September 5, 2013

Prepared by: Kevin Carruth, Governance Committee Chair

Agenda Item Title: The Board

Recommendation:

The Board shall discuss the issue and give general guidance to the Governance Committee to develop a draft policy for Board action. The issues for Board discussion include, but are not necessarily limited to:

1. Should all Board members and the CEO be invited and included in all events funded, sponsored or presented by the District and the Hospital?
2. Should all Board members and the CEO have their photos displayed in the lobby of the Hospital, possibly along with other key Hospital executives/leaders?
3. When the CEO or other District of Hospital executives are responding to Board Member questions or concerns should all Board members receive that information, excluding inquiries of a personal nature?

Background:

1. **Inclusion:** Currently there is no policy guidance on how this should be handled. Typically elected Boards and their CEO are invited/included in all events funded, sponsored or presented by their jurisdiction, i.e., the District and the Hospital. Currently the informal practice is that the CEO invites the entire Board for some events and a smaller group of Board members are invited for other events. Inviting all Board members and the CEO does not require all to attend everything; in fact Board members and the CEO currently do not attend everything to which they are invited.
2. **Photographs:** Currently there is no policy guidance on how this should be handled. Elected bodies typically have the photos of the representatives of the voters displayed in the lobby or some other comparatively conspicuous place. This Board's photos were displayed until a couple of years ago. Professional photographs were taken of all the Board members a year ago and are available for this purpose. The issue has been raised repeatedly by at least two Board

members since the photographs were initially removed and there have been repeated assurances that the photos will be installed.

It is also important to have the photograph of the CEO, and possibly the other Hospital executives (determined by the CEO), so that the public can recognize not only the elected District leadership but the key leadership inside the Hospital.

- 3. Information:** Currently there is no policy guidance on how this should be handled. The CEO, and on occasion the Hospital staff, provides much important and useful information to the entire Board. There are occasions when a Board member inquires about an issue or asks for more information and that member then receives that information. It is quite possible, even likely, that such information would be equally valuable for all Board members and by providing it to all would ensure that every Board member is operating with the same information, if they choose to read it. This can avoid the situation where some Board members have more or less information on issues and can also avoid the appearance of disparate treatment of Board members. Since information is generally provided via email it is not a substantial effort to provide the information to everyone. If Board members feel that there is too much information they can always decide what to read—which is the current situation.

For issues of a personal nature this should obviously not apply.

Consequences of Negative Action/Alternative Actions:

The Board and the District will not have discussed the issues and will provide no guidance to the GC.

Financial Impact:

None.

Selection Process and Contract History:

None.

Board Committee:

No review at this time. The input will be used by the GC to develop draft policy to bring to the Board for action.